

Liberal Democrats' Vision of Japan: Us or Chaos

By David E. Sanger
NAOGYA, Japan — Prime Minister Kiichi Miyazawa has a vision of what Japan may look like after Sunday's elections. Should the opposition win, he tells crowds on a campaign tour across the country, the Japanese should brace themselves to slide into Third World chaos.

crats, says Mr. Miyazawa is wrong, Japan, he said recently at a rally near Tokyo, will look more like Italy.
The cabinet will be changing all the time, the economy will be in disarray, the number of thieves and beggars will increase, and so will robberies and rapes," he said.

are racing across the country this week warning that Japanese voters risk destroying all that they have built.
Mr. Miyazawa is having a difficult time getting his message across because many candidates have asked him, as politely and indirectly as possible, to stay out of their districts. No one wants to be tarred with the prime minister's failure to pass a political reform bill or with his single-digit popularity ratings.

modest swing back to the governing party. Some analysts say that the party may now be able to retain the 222 seats it was left with in the House of Representatives after a fifth of the membership defected last month, leading to a vote of no confidence. According to polls published Wednesday, the Liberal Democrats could win nearly 230 seats.

NATO Will Use Jets In Bosnia to Protect Peacekeeping Force

By Joseph Fitchett
PARIS — The NATO alliance ratcheted up its involvement in Bosnia on Wednesday with a decision to use ground-attack aircraft to protect United Nations peacekeepers — and in practice the Muslim enclaves — against attacks by Serbian and Croatian forces.

French and British Jaguar fighters and Dutch F-16s. Technically, the warplanes are supposed to go into action only to protect UN peacekeepers.

Allied officials said that the careful planning of this new NATO peacekeeping operation — approved by all the allies, including France — should produce a smoother operation than the intervention in Somalia and thus provide a model of NATO's capabilities for the future.
No public confirmation was forthcoming from the headquarters of the North Atlantic Treaty Organization, where officials want to let the political initiative come from the United Nations Security Council, but the official UN request is thought to be only a formality.

The United States opposes sending Iranian troops to Bosnia, Page 2.
UN flag. Those commanders are said to be eager to get this protection and ready to work with NATO.
The allied air campaign will operate under the command of a U.S. admiral who is the top NATO officer in the Mediterranean.



FLOOD WEARY — An exhausted volunteer on a dike in West Des Moines, Iowa. President Clinton visited the Midwest, unveiling a \$2.48 billion aid plan Wednesday, Page 3.

In Central America, the Guerrillas Show They're Alive

By Douglas Farah
MANAGUA — Explosions that ripped through a car repair shop on the outskirts of Managua at dawn May 23 sent shock waves far beyond Nicaragua. From the debris have emerged a guerrilla arsenal threatening the Salvadoran peace process, documents detailing a Marxist kidnapping ring directed against Latin American millionaires, and hundreds of false passports and identity papers.

beneath the shop containing tons of weapons, including 19 surface-to-air missiles.
The underground vault also held the passports, falsified identity papers and documents laid to the kidnapping ring.
Investigators and diplomats said there was strong circumstantial evidence that the arsenal and the ring operated with at least the tacit approval of Nicaragua's leftist Sandinista National Liberation Front, which held power from 1979 until 1990 and whose leaders still control the army and state intelligence.

of an international terrorist operation in Nicaragua, The Associated Press reported.
The vault "looked like a one-stop shopping center for terrorist activities, where you could get guns and documents," said a diplomat familiar with the case. "You would have to be extraordinarily naive to think this was not under the aegis of some part of the intelligence operation of the Sandinistas."
Because some fraudulently obtained Nicaraguan passports were discovered in March at the home of a suspect arrested in New York in connection with the Feb. 26 bombing of the World Trade Center, U.S. investigators have also visited here twice to see if any links exist

between the cache and the New York blast. A U.S. Embassy spokesman said he could not comment on the continuing investigation.
U.S. authorities found five Nicaraguan passports, five Nicaraguan birth certificates and two driver's licenses when they arrested Ibrahim Elgashrowy in Brooklyn in early March. The passports contain photographs of Sayyid A. Nosair, his wife and children. Mr. Nosair is in prison in New York, convicted of a weapons charge after being acquitted of the 1990 murder of Rabbi Meir Kahane.
A Nicaraguan judge in April convicted six

UN Command in Somalia Strained After U.S. Raid

By Keith B. Richburg
International support for the United Nations military intervention in Somalia showed further signs of strain Wednesday amid recriminations over a U.S. gunship assault against a Somali warlord's stronghold that provoked a riot in which four foreign journalists were killed.

ment was reached with the UN on a new approach.
An Italian statement called for the suspension of UN combat operations and a review of the multinational mission.

The raid also left as many as 54 Somalis dead, the International Committee of the Red Cross said.
Pamphlets in Somali and English appeared on Mogadishu streets from a group calling itself Muslim Voice, warning: "We are going to launch an attack on the American compounds." The pamphlets called on "all Muslim countries in the world to kill Americans in their countries."
[In London, six British police officers were injured and nine people were arrested Wednesday when violence erupted outside the U.S. Embassy during a demonstration against military attacks in Somalia, Reuters reported. A police spokeswoman said the officers were treated for minor injuries.]
Mogadishu was reported to be tense, and aid workers said that they believed a threat of attacks against foreigners was high.

Italy said Wednesday that the Somalia campaign had turned away from its original humanitarian objective into "urban guerrilla operations," and it said Rome would seek to move its contingent out of the capital unless an agree-

At Lloyd's, a Criminal Inquiry

By Richard W. Stevenson
LONDON — The inquiries into the huge losses suffered by Lloyd's of London took a new turn Wednesday when officials said that prosecutors had opened the first criminal investigation into the activities of the insurance market's underwriters.
Lloyd's said it had been informed by the Serious Fraud Office that prosecutors were investigating Gooda Walker Ltd., which managed underwriting syndicates that have run up some of the worst losses in the insurer's history.

Office of documents supplied to it by managers appointed to sort out the mess at Gooda Walker. Officials said the investigation centered on whether Gooda Walker had inflated its stated profitability by improperly using complex insurance policies designed to mitigate risk.
Many of the 20,000 individual investors at Lloyd's, who are known as "names," have long contended that fraud and mismanagement at some of the underwriting syndicates accounted for at least a portion of the billions of dollars in losses they are shouldering.
Thousands of names have joined groups that have filed civil lawsuits against their syndicates and the agents who managed them. But until Wednesday there had been no public acknowledgment by prosecutors of any formal criminal proceedings.

Kiosk Israeli Missile Fails

JERUSALEM (Reuters) — The sixth attempt to launch the U.S.-funded Israeli Arrow against a ballistic missile failed Wednesday in a shipboard test that could spell its end, security sources said.

Table with market data: Dow Jones (Up 27.11), Trib Index (Up 0.36%), The Dollar (New York 1.7181, West coast 1.7185, DM 1.5035, Pound 1.4978, Yen 107.125, FF 5.8595).



BLOWING FRANCE'S HORN — A trumpet player, mouthpiece at his lips, before the July 14 parade on the Champs-Élysées in Paris on Wednesday.

Thatcher's Plea For Plebiscite Loses, 445-176

LONDON — Former Prime Minister Margaret Thatcher broke openly Wednesday with the Conservative Party government she headed for more than 11 years, leading a revolt in the House of Lords over ratification of the Treaty on European Union.
Despite Lady Thatcher's stinging criticism of the treaty and her first vote in defiance of the party's leadership in her 34 years in politics, the revolt fell short, moving Britain one step closer to completing what has been a tortuous journey towards ratification.
By a vote of 445 to 176, the Lords rejected a contentiously debated but largely symbolic measure backed by Mrs. Thatcher requiring a public referendum on the treaty, which calls for greater economic, diplomatic and military coordination within the European Community.
The House of Commons already had overwhelmingly rejected a similar measure, and would almost certainly have overturned a vote in favor of the Lords. The treaty is supported by the government and both major opposition parties and is opposed primarily by rebel Tories, led in spirit by Lady Thatcher, in both houses of Parliament.
Despite the larger-than-expected margin of victory for the government, the day made clear that Mrs. Thatcher remains a potent and restless force in British politics, and one who if nothing else is exceedingly intransigent to her successor, Prime Minister John Major.
The treaty still faces a test in the Commons this month, over whether Britain will accept EC rules on working conditions. Britain is the only country not to have completed ratification except Germany, where a court challenge to the

Mafia Finds Bugs in Its Favorite Dishes

By Selwyn Raab
NEW YORK — Forget about the legal and sociological reasons offered for the decline of America's Mafia. Credit is due to crackdowns by the FBI and other investigators, but the underlying cause of the mob's deterioration is more simple — gangsters talk too freely and eat too prodigiously.
Gastronomy is a defining force in the collective persona of the mob, and undercover agents and informers are exploiting the Cosa Nostra's eating habits. Omertà — the code of silence — seemingly vanishes when mobsters gather at table.
After a decade of fruitfully investigating Paul Castellano, the late boss of bosses, the FBI

finally got the goods on him by planting a bug. They concealed it in the kitchen of his Staten Island mansion, the White House. While Castellano and his henchmen in the Gambino family ate and imbibed, they also uncorked a cornucopia of incriminating secrets for the FBI's eavesdroppers in the 1980s.
Omertà has become obsolete as turncoats, to save their own necks, stream into the Federal Witness Protection Program and testify against their confederates. There is rarely a Mafia trial these days without a good measure of testimony emanating from a pasta sidown or a cannoli klatsch.
Books by and about canaries have become an industry. Often the most riveting scenes

are culinary. A recent one is "Joe Dogs: The Life and Crimes of a Mobster" by Joseph Lannuzzi, a "wannabe" who never rose above the rank of "soldier" in the Gambino family. In his quest for membership, Mr. Lannuzzi dabbled in narcotics, burglaries, frauds, loan sharking and bookmaking and served as a slugger (enforcer) before becoming an FBI informer.
But based on his U.S. Army K.P. experience, a brief stint as an apprentice chef and some talent, Mr. Lannuzzi was quickly accepted as a gourmet among gangsters. Many scenes of mayhem, deals and carnage in his career revolved around restaurants and pri-

مركزنا من الأعمال

Bosnian Refugees Wander the Globe Seeking Asylum

By David B. Ottaway
Washington Post Service

KUTINA, Croatia — Nihad Beslagic, a Muslim, and Ivica Tomic, a Croat, did not know they had a lot in common before they started playing chess together at a refugee camp here.

Now they know they share an equally grim past, a bleak present and a very uncertain future.

Both men are victims of "ethnic cleansing" at the hands of their Serbian neighbors — driven from their homes in northern Bosnia, stripped of their property, extorted for "exit visas" and forced into exile from their homeland, possibly forever.

Now, day after day at this refugee village 45 miles east of Zagreb, the Croatian capital, Mr. Beslagic and Mr. Tomic play chess together and ponder what will happen to them and to people like them — the real pawns in the endgame of the Bosnian tragedy.

"They seem to be certain of only one thing. 'I know there is no chance for us to return to the land I come from,'" said Tomic, 38, a miner from



Sadako Ogata, the UN refugee commissioner, arriving Wednesday in Sarajevo for an inspection tour. She called for more money.

Journey to Europe

Last of a series

Sanski Most west of Banja Luka. "There will be no cease-fire ever in my home area."

Down the road, in the small settlement, Ante Kosmuskic, another "cleansed" Croat from northern Bosnia, agreed.

"There can be no more fairy tales about democracy or help from the West," he said. "I'm a foreigner now wherever I go."

The civil wars fought over the carcass of former Yugoslavia these past two years have given rise to a massive diaspora of more than a million Muslim and Croat refugees — the largest case of "forced migration" in Europe since the population displacements caused by World War II.

About a quarter of Bosnia's prewar population of 4.5 million has fled that land, spreading out across the world from Pakistan to the United States, from South Africa to Finland, in search of new homes, jobs and direction for their shattered lives.

The neighboring countries of Croatia and Serbia have had to absorb a massive influx of more than 500,000 refugees from the Bosnian battlefields.

Some of the Muslims from Bosnia are emigrating to Islamic countries like Jordan, which has agreed to take 500, and Pakistan, which has offered to take 10,000.

Most UN refugee officials would agree with Mr. Tomic's assessment that the vast majority of the refugees are unlikely to return to their homes, or even to Bosnia, for years, if ever.

And many refugee officials say the Bosnians may form the most volatile element, and the most serious long-term challenge, in what has become a massive wave of immigrants, asylum-seekers and economic migrants from Eastern Europe, Asia and Africa to the countries of Western Europe.

Many analysts are drawing parallels between the plight of the Bosnian Muslims and that of the Palestinians.

Like the Palestinians, who lost their homes when Zionists founded Israel, the Bosnian Muslims have

lost theirs to Serbs — and perhaps now to Croats as well — determined to establish a religiously and ethnically homogeneous nation.

One frequently asked question is whether Bosnian Muslim extremists will turn to seeking revenge on their enemies through terrorism, much as some embittered Palestinian factions have done ever since the foundation of Israel in 1948.

Ejup Ganic, vice president of the Muslim-led Bosnian government, has issued the first public warning, noting that the huge mass of homeless Bosnian Muslims forming inside the European Community could become a breeding ground for terrorists.

This is particularly likely, he said, if there is a widespread feeling among Bosnian refugees of betrayal by European nations that refused to arm or help their country.

"If the international community decided to finish with us, of course terrorism will start all over Europe," he said.

It is probably too early to judge the lasting impact of the influx of Bosnian refugees into Western Europe. But already it is clear that this group of immigrants will be exceptional.

"These are not normal immigrants," said Alessandra Morelli, an official in Karlsruhe of the UN High Commissioner for Refugees. "They didn't choose to go abroad. They were forced to."

The Bosnians not only were forced to emigrate but, in many cases, also did so with nothing but the clothes they wore. Thousands have begun a new life as charity cases.

Their single biggest problem, Miss Morelli said, is the growing reluctance of economically strapped European governments to issue visas.

Germany, which has taken the biggest number of Bosnians, has just tightened its asylum laws. It is turning back those arriving from neighboring "safe countries" like Poland and the Czech Republic, Sweden, Denmark and now Poland are requiring entry visas.

The closure of Europe to the continuing tide of Bosnian war victims has left Croatia, a front-line state along the northern border of Bosnia, to take the brunt of the fallout.

Croatia is struggling to cope with 271,000 Bosnian refugees in addition to 254,000 displaced Croats from the 22 percent of Croatia held by Serbs in the republic.

"In terms of the percentage of our total population, it's as if the United States had to accept 30 million Mexican refugees," said Josip Esterhajer, spokesman for the Croatian government's Office for Displaced Persons and Refugees.

The cost to the Croatian government for housing, feeding and caring for these people will be \$746 million this year, according to Mr. Esterhajer. The entire government budget is around \$1 billion.

The government has been giving each displaced Bosnian Croat — although not Bosnian Muslims — a stipend of about \$12, plus \$5 for pocket money each month.

Tensions between the huge Muslim refugee population — at least 70 percent of the total — and Croats have increased, partly because of the recent eruption of warfare in central and southwestern Bosnia between Croats and Muslims, erstwhile allies against the Serbs.

Vladimir Seks, Croatia's deputy prime minister, recently hinted that Muslim refugees might no longer

be welcome because of the Muslim-Croatian fighting in Bosnia. But Foreign Minister Mate Granic, seeking to ease international concern, said late last month that there would be no change in Croatia's policy.

"Croatia is the only European country whose borders are still open," he said.

UN officials say that, in fact, Croatia continues to take in thousands of Bosnian Croat refugees — with no questions asked — and that as of late June, there has been only one case of Bosnian Muslims being deported to Bosnia. UN officials intervened to stop it.

Still, Croatia clearly has a double policy toward Bosnian refugees, one for Croats and another for Muslims. Muslims can enter Croatia only with a transit visa for passage to a third country, and do not benefit from government subsidies.

Croats, on the other hand, are treated almost like full-fledged Croatian citizens and can get passports relatively easily.

But the plight of Muslim and Croatian refugees seems remarkably similar in the telling. Take, for instance, the two cases of Mr. Beslagic and Mr. Tomic, the chess players.

Both have found the same accommodations in the Kutina resettlement camp, a prefab village with new paved roads and fresh landscaping that houses 1,400 people in 105 specially insulated homes.

But nobody is helping either Mr. Beslagic, a butcher by trade, or Mr. Tomic, a miner, to get work permits, a loan or a job or to become integrated into the community of Kutina.

Mr. Beslagic, the Muslim, said he had found only occasional work lasting a day or so. "The problem is for everybody," he said. "Not just Muslims. There is no work."

WORLD BRIEFS

Mexico to Repatriate China Refugees

MEXICO CITY (AP) — Mexico agreed Wednesday to receive and repatriate at least 659 Chinese emigrants stranded in international waters off its Pacific coast, officials said.

Deputy Foreign Minister Andres Rozental said the move was based on humanitarian concerns, but added that the Chinese would be repatriated immediately, the boats would be seized and their crews put on trial for smuggling.

The three ships were intercepted July 6 by the U.S. Coast Guard off Baja California, Mexico. The Chinese were believed sailing for the United States as part of a smuggling operation.

Cambodia May Accept Khmer Rouge

PHNOM PENH (AP) — A Cambodian leader indicated on Wednesday that the government was prepared to risk losing foreign aid by accepting a deal offered by the Khmer Rouge to end the civil war.

"Most important now is that Cambodia should reunite," said Hun Sen, co-chairman of the interim government. "We should not allow foreign countries to use their economic influence to divide Cambodia."

The Khmer Rouge leader, Khieu Samphan, offered Tuesday to turn over command of the group's 10,000-strong guerrilla force and the 20 percent of Cambodia that it controls if his group was given a position of permanent adviser to the newly elected government. The United States has vowed to withhold aid if the Khmer Rouge is given a role in the government. Prince Norodom Sihanouk, the Cambodian head of state, said in a statement Wednesday that Cambodian leaders would meet with the Khmer Rouge in September to discuss its proposal.

Kim Philby's Long Grim Good-Bye

MOSCOW (AP) — Kim Philby, the British-born Soviet spy who died at 76 in Moscow in 1988, spent the last 15 years of his life as a recluse, disillusioned with communism, troubled by drink, unwanted even by the KGB, his Russian widow said Wednesday in her first public appearance.

The woman, Rufina Pukhova, is writing a book about her 18-year marriage to Mr. Philby and answered questions from journalists at the offices of the newspaper Literaturnaya Gazeta to promote the book. She said Mr. Philby never expressed regret for his spying, or homesickness for England. But he felt discarded by the KGB, whose officers viewed him as a suspicious foreigner. He rarely left the apartment, she said, and listened to the BBC radio news each morning over a cup of tea, then read British newspapers, watched sports on television and did crossword puzzles.

Mr. Philby was one of history's most successful double agents. For two decades, from the mid-1930s to the mid-1950s, he passed British and American secrets to Moscow while working at the top level of MI6, the British intelligence service.

U.S.-North Korea Progress Cited

GENEVA (Reuters) — The United States and North Korea reported unspecified progress Wednesday in negotiations to open two suspected nuclear sites in North Korea to international inspection.

After meeting for seven hours, officials from the two countries said that the talks had been "useful" and that they would meet again on Friday. U.S. officials had said in advance that the talks would only resume on Friday if progress was made.

"The two sides agreed that the discussions we had today were productive and useful," said the North Korea's first vice minister of foreign affairs, Kang Sok Ju, after had met with a U.S. assistant secretary of state, Robert Gallucci. The talks, held at the U.S. mission in Geneva, followed an earlier round in New York in June. Those talks led to North Korea suspending its threat to withdraw from the Nuclear Nonproliferation Treaty.

Russian Troops Retake a Tajik Post

DUSHANBE, Tajikistan (Combined Dispatches) — Russian troops recaptured a border post in Tajikistan on Wednesday after a fierce fight with Muslim guerrillas infiltrating from Afghanistan, officials and news reports said.

The battle was so intense that the Russian defense minister, Pavel S. Grachev, said Russia should reinforce the frontier immediately with more troops, tanks, artillery, fighting vehicles, attack planes and possibly bombers.

Post No. 12 near the village of Sangor was attacked from the Afghan side of the frontier Tuesday in what officials called one of the bloodiest cross-border attacks in recent months. When Russian and Tajik forces backed by aircraft and artillery retook the post, they found 20 of their comrades dead, said Major General Anatol Chichulin, commander of Russian border troops in Tajikistan. (AP, Reuters)

400 Race Crimes in May in Germany

BONN (Reuters) — Germany registered 400 ethnic crimes in May, including injury to 96 people and the death of five in attacks by extreme rightists, the government said Wednesday.

In answer to a question in parliament, it said the attacks included 33 cases of arson, 59 beatings and 308 offenses such as property damage, threats, insults and theft.

Sixty-six people have been detained and six charged. The May figures included arson that killed two Turkish women and three children in the western city of Solingen. The police registered 141 extremist crimes in January and February. There were more than 500 in September.

TRAVEL UPDATE

Court Condemns Blackpool Beaches

LUXEMBOURG (AP) — The European Court of Justice on Wednesday faulted the British government for failing to guarantee clean water for swimmers at Blackpool on the Irish Sea, one of England's most popular seaside resorts.

The court ruled that water off Blackpool fell below European Community requirements over sewage pollution. It said Britain failed to meet EC laws obliging member states to clean up beaches. It ordered London to pay legal costs.

The British government dismissed the ruling as largely technical. Environment Minister Tim Yeo said a £2 billion (\$3 billion) cleanup operation would bring Britain's coastline to EC standards by 1995.

The changing of the guard at London's Buckingham Palace is being cut down to every other day — disappointing tourists and the British travel industry — as an economy measure in an era of shrinking defense budgets. Until now, the colorful Coldstream Guardsmen changed the guard daily. (Reuters)

Italian Unions called off a nationwide strike of public transport workers intended to stop buses, streetcars and subways in the major Italian cities Thursday after the government's decision to enforce reforms for Italy's public transport system. (AP)

Czech Republic border guards have started passport controls on border crossings from Slovakia. The Interior Ministry said in Prague on Wednesday. Citizens from the former Czechoslovakia are exempt. (Reuters)

South Korea opened a consulate-general in Shanghai, its first in China since the two countries established diplomatic relations in August. China is expected soon to open a consulate-general in Pusan, Korea. (Reuters)

U.S. Opposes Iran For Bosnia Mission

Compiled by Our Staff From Dispatches

WASHINGTON — The United States opposes sending Iranian troops into Bosnia-Herzegovina to defend security zones for Bosnian civilians, according to a State Department official.

There would be "substantial problems with a sizable contingent of Iranian troops in Bosnia," the official said Tuesday, referring to a proposal from Tehran to put 10,000 men at the disposal of the United Nations as part of an offer made by the Organization of the Islamic Conference, based in Islamabad.

At a meeting in Islamabad on Tuesday, the Organization of the Islamic Conference proposed offering 17,000 troops to the world body from six countries including Iran and the "State of Palestine."

The U.S. official said the Clinton administration would not make its opposition known officially because of the criticism such a move could draw from the countries taking part in protecting the safe areas in Bosnia.

While the administration official did not specify the nature of these problems, Washington for days has said Tehran's influence in the former Yugoslavia is growing and that foreign nationals should take steps

to protect themselves against possible acts of Iranian-inspired terrorism.

Still, the official said, "given the fact that we are not providing ground troops, it is not up to us to comment."

Foreign Secretary Douglas Hurd of Britain, answering questions in Parliament, said Wednesday that he believed there was a strong case for Muslim troops to serve in Bosnia. But he added, "I don't myself think that Iran would be a suitable candidate for that."

A State Department spokesman, Michael McCurry, indicated that the United States would defer on the issue to Secretary-General Butros Butros Ghali. It is for Mr. Butros Ghali, Mr. McCurry said, to decide on the appropriate deployment of forces, and the United States would refrain from commenting on the participation of particular states.

He said that the United States was in close consultation with the secretary-general but that he did not know if Washington formally had offered opinions on the countries that ought or ought not to supply troops.

If Mr. Butros Ghali decides to approve the Iranian contingent, the United States then would decide whether there was any cause for supply troops.

The United Nations has asked member states to provide 7,500 additional troops to protect the six safe zones in Bosnia declared by the Security Council.

In Dhaka, Bangladesh, nearly 15,000 people marched in the streets on Wednesday to demonstrate support for Muslims. (AFP, Reuters)

Liberia Refugees Trapped

MONROVIA, Liberia — About 50,000 refugees are trapped in northern Liberia and face starvation unless aid can reach them, relief workers said on Wednesday.

Aid workers said heavy rain had washed away much of the road and damaged bridges, making it difficult for aid convoys to get through.

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Bangladesh	0088-2-1000	Belarus	00375-1-1000	Denmark	0045-33-1000
Barbados	00869-1-1000	Belgium	0032-2-1000	Egypt	0020-2-1000
Belize	00501-1-1000	Bhutan	00975-1-1000	France	0033-1-1000
Bermuda	00441-1-1000	Bolivia	00591-1-1000	Germany	0049-30-1000
Bhutan	00975-1-1000	Brazil	0055-11-1000	Ghana	00233-1-1000
Bolivia	00591-1-1000	Bulgaria	00359-2-1000	Greece	0030-210-1000
Bosnia and Herzegovina	00381-1-1000	Burkina Faso	00229-1-1000	Iceland	00354-1-1000
Brazil	0055-11-1000	Burundi	00253-1-1000	India	0091-11-1000
British Virgin Is.	001-800-477-0000	Cambodia	00855-1-1000	Indonesia	0062-21-1000
Canada (Phone Patch)	001-800-825-3643	Cameroon	00237-1-1000	Italy	0039-6-1000
Canada (Phone Patch)	001-800-825-3643	Canada (Phone Patch)	001-800-825-3643	Jamaica	00868-1-1000
Canada (Phone Patch)	001-800-825-3643	Canada (Phone Patch)	001-800-825-3643	Japan	0081-3-1000
Canada (Phone Patch)	001-800-825-3643	Canada (Phone Patch)	001-800-825-3643	Jordan	00962-7-1000
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Canada (Phone Patch)	001-800-825-3643	Canada (Phone Patch)	001-800-825-3643	Mexico	0052-5-1000
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STATESIDE / HOMOSEXUALS IN MILITARY

Aspin Said to Back a 'Don't Ask, Don't Tell' Gay Policy

By Eric Schmitt
New York Times Staff

WASHINGTON — Defense Secretary Les Aspin will recommend to President Bill Clinton that homosexuals be allowed to serve in the military as long as they do not make public or private declarations of their sexual orientation, gay-rights advocates said. Pentagon officials have told them.

Mr. Aspin's decision as reported by the advocates would put the secretary behind one of the more conservative proposals offered in the debate over homosexuals in the military.

Mr. Clinton, who had wanted to allow homosexuals in the military without restriction, could come up with another policy, but that would mean overruling his defense secretary as well as many members of the Joint Chiefs of Staff, who also support a "don't ask, don't tell" approach.

By describing a policy clearly unpalatable to the gay-rights advocates, the Pentagon seemed to ensure that the proposal would land in public debate before Mr. Clinton makes a decision later this week.

The advocates who met with the Pentagon on Tuesday, Thomas F. Sheridan and Chai Feldblum of the Campaign for Military Service, said they had to justify the move as an effort to meet the concerns of the top brass, which they said must be done to make any progress at all.

In a meeting at the Pentagon, Mr. Sheridan and Ms. Feldblum said, two senior Pentagon officials also told them that military policy would be rewritten to say that "homosexual conduct," not simply "homosexuality," was incompatible with military service, as the current policy reads.

If the policy emerges as described by the gay-rights leaders, it would resemble the stricter versions of "don't ask, don't tell" proposals supported by Senator Sam Nunn, Democrat of Georgia, who heads the Senate Armed Services Committee, and many of the Joint Chiefs.

"The Joint Chiefs' and the Pentagon's position was presented solidly," said Mr. Sheridan. "They told us, 'It's this position or the president can decide for himself if he wants to go down in flames.'"

Mr. Aspin and his aides have been consulting with the chiefs to reach a compromise acceptable that honors, to some de-

gree, Mr. Clinton's promise to end bias in the ranks based on sexual orientation.

In the face of stiff military objections to such a change in policy, civilian Pentagon officials have widely hunted in recent weeks for what might salvage only a change in the phrasing of what is considered compatible with military service.

Without a whole-hearted endorsement from the Joint Chiefs, conservative lawmakers — and perhaps even moderate ones — are ready to back a proposal to make a ban on homosexuals in the military the law of the land, rather than just a government policy as it now is.

Advocates of equal rights for homosexuals have fought to stop military discharges on the basis of sexual orientation alone, to lift restrictions on private speech and in-

sure equal enforcement and punishment of misconduct by both homosexuals and heterosexuals.

As described by the advocates of gay rights, the Pentagon's recommendation would include the following:

- Public and private declarations of homosexual orientation would be prohibited, except when speaking to a chaplain, psychologist or someone in a medical emergency.
- Homosexual conduct on base and off would still be prohibited.
- Investigations into whether a soldier or sailor is homosexual would be sharply curbed. A person would not be investigated if he or she was seen at a gay bar or if he or she had a photograph of someone of the same sex on his or her desk.

POLITICAL VOICES

Health Industry Pours Funds Into Congress

WASHINGTON — President Bill Clinton's health-care plan has not even made it to Capitol Hill and already the health and insurance industries have increased their political action committee donations by 20 percent, giving \$2.2 million in the first five months of 1993, most of it to key health-committee members.

An analysis of Federal Election Commission records by the consumer group Citizen Action shows overall PAC giving rose by 8 percent from the similar period in 1991. Citizen Action favors a single-payer, Canadian-style health system.

Hospitals, health-maintenance organizations and nursing homes increased their contributions at the fastest rate — 49 percent — followed by doctors and other health-care professionals, at 31 percent.

Members of the Finance Committee in the Senate, and the Ways and Means, and Energy and Commerce panels in the House received nearly half of all the health and insurance industries' PAC money. The 20 members of the Senate Finance Committee averaged \$11,912. Those benefiting the most were the chairman of the Senate Finance Committee, Daniel Patrick Moynihan, Democrat of New York, who received \$70,500, and the leader of the Democratic majority in the House, Richard A. Gephardt of Missouri, who received \$50,000. (NYT)

High Court Nominee Gets Highest ABA Rating

WASHINGTON — The American Bar Association has given Judge Ruth Bader Ginsburg its highest rating on her fitness to be a Supreme Court justice, congressional officials said.

The rating of "well qualified" underlined the vastly changed political context in which Judge Ginsburg will face the Senate Judiciary Committee next Tuesday for her confirmation hearings, compared with that of the last Supreme Court nominee, Clarence Thomas.

In 1991, the ABA's Standing Committee on the Judiciary gave Thomas a mixed rating, a majority giving him the middle grade of "qualified" and a minority deeming him "not qualified." The rating was conveyed on Tuesday to the Senate Judiciary Committee and to the White House.

Judge Ginsburg, who was nominated to the court by Mr. Clinton on June 14, is expected to encounter no serious opposition to confirmation. She has served on the U.S. Circuit Court of Appeals for the District of Columbia for 13 years, earning a reputation as a cautious jurist.

Justice Thomas received the lowest rating ever given by the bar association to someone who was confirmed for the court.

The justice nominated before Justice Thomas, David C. Souter, received a unanimous "well qualified" rating from the bar association in 1990.

During the 12 years of Republican rule in the White House, the bar association's role in judicial nominations was heatedly debated in legal circles. Many Republicans complained that the bar association was tilted toward liberal judicial candidates. (NYT)

Bush Subpoenaed Over Arms Sales to Iraq

WASHINGTON — Former President George Bush was served with a subpoena to appear as a witness in September at the trial of an Atlanta banker who is accused of making nearly \$5 billion in unauthorized loans to finance Iraq's arms buildup.

The lawyer for Christopher P. Drogoul, the banker, said Mr. Bush's testimony and documents he may possess were needed to demonstrate the main point of his client's defense — that Mr. Drogoul was carrying out the Bush administration's policy of tilting toward Iraq in its war with Iran and of trying to woo President Saddam Hussein with American arms and dollars. (NYT)

Clinton Names European Community Envoy

WASHINGTON — Mr. Clinton has named Stuart Eizenstat, a former aide to president Jimmy Carter, as the next U.S. ambassador to the European Community, the White House said.

Mr. Eizenstat, whose appointment must be confirmed by the Senate, currently heads the Washington office of a law firm based in Atlanta.

From 1977 to 1981, Mr. Eizenstat, 50, was Mr. Carter's main domestic policy adviser. Before that, he served on the White House staff of president Lyndon B. Johnson, also a Democrat.

"Stuart Eizenstat has been an important, and highly respected voice in national and international policy debate for many years," the White House statement said. (AP)

Rift Divides Abortion Proponents in Congress

WASHINGTON — A growing number of female lawmakers are reconsidering their support for the most far-reaching abortion rights legislation before Congress this session, exposing a widening schism within the ranks of those who call themselves "pro-choice" and further clouding the prospects for the bill.

"It is very serious," said Representative Maxine Waters, Democrat of California, adding that the widening disagreement, which has taken on racial overtones, marks "the first time that I have witnessed this kind of division in the women's movement around this issue."

Supporters of the bill, which is known as the Freedom of Choice Act, say they seek to write into law the Supreme Court's landmark 1973 Roe v. Wade decision establishing abortion as a constitutional right, which would take the issue out of the hands of the courts.

The legislation is running into difficulties because its supporters cannot agree over how sweeping it should be.

The outlook for the bill is particularly questionable in the House. Don Edwards, Democrat of California, chairman of the House Judiciary Committee subcommittee that wrote the bill, said supporters were counting their votes every two or three days, and had yet to come up with a majority.

"We're rather close," he said, "but we're not there yet. I won't kid you."

The dispute among abortion rights advocates centers on provisions in the bill that give states the option of deciding whether to pay for poor women's abortions and whether to require parental involvement before a minor can get an abortion. Polls show that while most Americans believe a woman has a right to an abortion, it should not be paid for by taxpayers, and that minors, in most cases, should not receive abortions without the knowledge of their parents. (LAT)

Quote / Unquote

Senator Don Nickles, Democrat of Oklahoma, on the nomination of Joyceyn Elders as surgeon general: "She certainly seems to be a radical in favor of abortion, in favor of birth control devices distribution for children, sex education for very young minors. They're enough to sink her nomination." (AP)

Away From Politics

• Archeologists have dug up a fossilized egg in what they believe was a dinosaur nesting area 145 million years ago during the Jurassic period. "If we find embryonic bones, they can be linked to who laid the eggs," said Ken Carpenter, who is directing the dig near Denver. "We haven't been able to do that during the Jurassic period." So far, the dozens of dinosaur eggs found containing embryos have dated from about 65 million years ago when the creatures began to disappear. The Jurassic period lasted from 180 million to 130 million years ago.

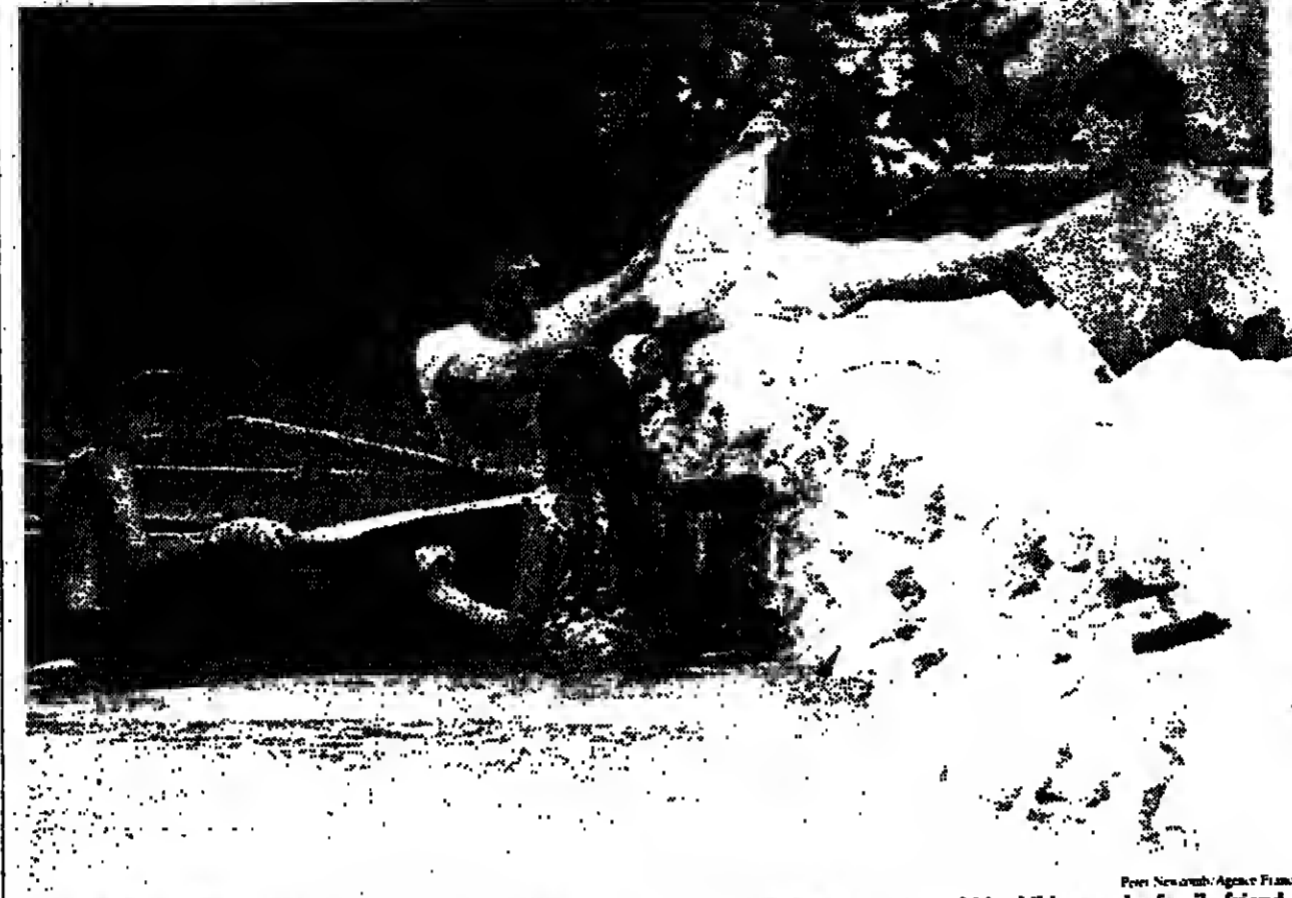
• The operator of the trans-Alaska pipeline, Alyeska Pipeline Service Co., has tentatively agreed to pay \$98 million to settle thousands of lawsuits over the Exxon Valdez oil spill. Exxon Corp. would remain as a defendant.

• A mistrial was declared after a jury in Washington was deadlocked in the case of a man accused of raping a woman who had asked him to use a condom she provided. After the mistrial was declared, the jury reported that its final vote was 10 for acquittal and two for conviction of Jerald Elnari, 31.

• A federal judge said he was wrong in January when he barred New York state from adopting California's strict rules on air pollution from cars — rules aimed at eliminating the kind of smog that blanketed the region last week.

• The parents of a Japanese exchange student who was shot to death in Baton Rouge, Louisiana, when he knocked at the wrong door looking for a Halloween party are suing the man who was found not guilty of manslaughter in the case.

• In a rare, long-term study of heroin addiction that spans nearly a quarter-century, researchers at the University of California, Los Angeles, have found that the average age of death for frequent users of the drug is 40, and that those who do not quit by their late 30s are unlikely to ever stop. (AP, NYT, LAT)



A Hannibal, Missouri, home owner, right, reinforcing a dike around his house with the help of his children and a family friend.

Clinton, at Flood Site, Promises Help

The Associated Press

DES MOINES, Iowa — President Bill Clinton visited the flood-ravaged Midwest on Wednesday and promised to send legislation to Congress immediately for a minimum of \$2.48 billion in federal disaster relief.

"I have seen whole towns flooded, but I have never seen anything on this scale before," Mr. Clinton said after his helicopter tour of the flooded areas, including fields, railroad bridges and the contaminated water works near the Iowa capital city. Streets below him disappeared into tracks of muddy water.

"It's very bad," Mr. Clinton said. "This is a very profound problem."

Following his helicopter tour, he answered questions on a radio program. "The spirit of the people seemed undaunted," he said, although he noted that several people had "choked up" as they contemplated the extent of the destruction.

The bill will seek \$2.48 billion, he said, adding that the total will also include any additional damage estimates that come up.

Damage estimates from Illinois, Iowa, Minnesota, Missouri, Nebraska, South Dakota and Wisconsin put the flood's cost so far at around \$3 billion, about \$2 billion for destruction of crops and \$1 billion in other property damage.

Mr. Clinton said the final legislation ought to be on his desk in a couple of weeks and the money released "almost immediately" afterward.

He minimized the impact of the disaster relief on the budget deficit, noting that estimates of the deficit had improved from earlier in the year because of lower interest rates and job growth.

Even before Mr. Clinton arrived, the governor of Iowa, Terry Branstad, said he doubted that the re-

quest for \$2.48 billion would be enough.

"The damage in the state of Iowa is probably going to exceed \$1 billion," Mr. Branstad said.

The White House press secretary, Dee Dee Myers, said the money would cover support for a number of U.S. agencies including the Federal Emergency Management Agency.

A fact sheet issued by the traveling White House said funds would go for payments to farmers, as well as repairing damaged transportation systems, housing and flood-control works.

Ms. Myers said the money was intended to cover operations for the remaining three months of this fiscal year.

Congressional leaders, who have been summoned to a meeting at the White House on Thursday, promised quick action on Mr. Clinton's request.

In Washington, the leader of the minority Republicans in the Senate, Bob Dole of Kansas, talked with White House budget director, Leon E. Panetta, and said he was "certainly willing to cooperate with the president" in pushing the aid package through Congress.

"This is the emergency of the year," said Senator Ted Stevens, Republican of Alaska, a senior member of the Senate Appropriations Committee.

Mindful of criticism that President George Bush was slow in delivering aid to hurricane victims last year, the White House has been trying to show it is staying on top of this disaster.

Mr. Clinton has declared 222 Midwest counties and the city of St. Louis federal disaster areas, making them eligible for grants, low-interest loans and other federal aid. The Agriculture Department named 304 counties in flood states eligible for emergency loans because of crop losses.

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Impact on Economy Likely to Be Minor

By Louis Uchitelle
New York Times Staff

NEW YORK — For all the spectacular devastation of the Mississippi flood of 1993, the impact on the huge U.S. economy is likely to be very small, many experts say.

While the flood has threatened to interrupt shipments of food, chemicals, cars and other products, nearly every obstacle has so far been overcome or bypassed.

When the floods washed away a railroad bridge across the Mississippi at East Hardin, Missouri, cutting the Santa Fe's main line from Chicago to southern California, trains were rerouted along another railroad's tracks to cross the river below Saint Louis. When the water covered the trucked used by the Monsanto Chemical Co. to ship herbicides from its plant in Muscatine, Iowa, the herbicide went by truck for two days, while new ties and track were laid on top of the old ones, bringing the rail line once again above water.

And while 3,000 barges are stuck on the upper Mississippi and Illinois Rivers, the grain in them is mostly for export and not immediately needed, said Keith Collins, director of economic analysis at the

Agriculture Department. Elevators in New Orleans, at the mouth of the Mississippi, currently hold enough grain to satisfy export orders, so the stuck barges are for the moment serving as warehouses for millions of tons of grain.

"There are all kinds of little disruptions and stress to the nation's economic system, and certainly Des Moines has a huge problem," said Robert Schnorbus, an economist at the Federal Reserve Bank of Chicago, whose specialty is the Midwest. "But nothing is shutting down in America beyond the actual flood area."

Federal officials are estimating damages at \$2 billion to \$3 billion, mostly in lost crops. That is far below the \$18 billion in devastation from the hurricane that struck Florida and Louisiana last year.

Powell Given Saudi Medal

DUBAI, United Arab Emirates — General Colin L. Powell, chairman of the U.S. Joint Chiefs of Staff, has been awarded the Saudi Medal of Excellence by King Fahd for his role in the Gulf War, the Saudi Press Agency reported on Wednesday.

quest for \$2.48 billion would be enough.

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INTERNATIONAL Herald Tribune

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Off Course in Somalia

What started as a humanitarian United Nations mission to feed starving Somalis seems to be turning into something far less benign.

In a place as anarchic as Somalia, humanitarian and security objectives must go together. But it is a mistake to see security in purely military terms.

Killed Doing Their Job

It is in the nature of what they do that foreign correspondents tend make their work lonely. No matter how terrifying the situation, the job at hand is to impose order on events.

It's Akin to Barbaric

Most Americans now know better than to use nasty generalizations about ethnic or religious groups. Disparaging stereotypes — the vicious Jew, the sneaky Chinese, the dumb Irishman, the lazy black — are so unacceptable that it is a shock even to hear them mentioned.

Other Comment

The 'New Boy' Fares Well

President Bill Clinton has gotten his sea legs in international diplomacy. He started as the "new boy on the block" at the economic summit meeting in Tokyo.

Dealing With a Defiant Iraq

The UN Security Council's orders were clear and emphatic. Iraq, after its defeat in the Gulf War, was required to destroy its stocks of ballistic missiles and chemical and biological weapons.



Will No Leader Rise to Meet the Balkan Challenge?

VIENNA — The Yugoslav novelist Miroslav Kucarac has said of the people of Bosnia that they "acquired the fatal habit of living together, a quality which the various armies now fighting one another are, by means of a bloodbath, attempting to correct."

Both have been betrayed by Western Europe and the United States, not so much in cynicism as by stupidity and political cowardice. The question that remains for the Western governments to answer is whether anything has been learned.

Recent congressional visitors have found China more vibrant and open than they had expected. But virtually no top Chinese leader has heard the views of his U.S. counterpart argued forcefully and directly.

China Is Too Important to Be Ignored

ANN ARBOR, Michigan — The United States should stop punishing China for the massacre of demonstrators in Beijing in 1989. China is too important to make this the pivot of American policy.

China, a nuclear power with intercontinental ballistic missiles and a permanent member's seat on the United Nations Security Council, has enormous capacity to do mischief on the world stage.

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A Foe of Gadhafi Takes Up His Case

WASHINGTON — Consider it the Washington lawyer's version of the "Innocent Proposal" that Robert Redford made on-screen to Demi Moore: If Moammar Gadhafi offered you half a million dollars to represent the Libyan government in the case of the bombing of Pan Am 103, would you do it?

Several attorneys were offered \$500,000 retainer. They refused after talking to Youssef Dibri, the shadowy head of Libya's National Security Service, which Western intelligence agencies have implicated in terrorist acts.

Mr. Sofar refused to confirm my information that he had met Mr. Dibri in Geneva recently to discuss the contract. He acknowledged knowing Mr. Dibri's identity as Colonel Gadhafi's national security chief and head of the Libyan government's Committee to Resolve the Pan Am 103 Dispute.

Imbalance Awaiting Correction

By Gregory Clark

TOKYO — Asking Japan to rein in its ballooning trade surpluses is like asking the sun to stop rising. The surpluses are built in, for a variety of reasons.

One is superior productivity. Past Japanese protectionism combined with a post-World War II ethic (not unlike what once existed in the North European societies) and heavy reinvestment of profits to give Japan an unbeatable lead to most manufacturing industries.

The high savings level — a result of relatively low class-consciousness in a society where the workplace is the main basis for identity — is a further factor. It has the triple effect of reducing imports, increasing export pressure and providing cheap funds to Japanese industry.

Superimposed on all this is the inefficient, tax, bureaucratic and financial system, which prevents the mobilizing of high savings and trade surpluses for badly needed public works — which would stimulate domestic demand and increase imports.

Far down on the list comes the perpetual Western, and now Clinton, complaint that Japan's markets are closed. Sometimes they are closed and sometimes they are remarkably open. Japanese women make it quite clear that they prefer Western fashion goods.

But that is Japan's fault. Cultural and historical factors have long combined to create the gap between high productivity in manufacturing and abysmal productivity in the service, food and construction sectors. Toyota makes cars in Japan with almost twice U.S. productivity, but sells and rents cars in Japan with less than half U.S. productivity.

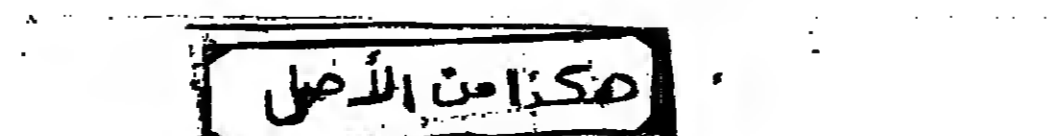
For decades, Japan has been happy to enjoy the protectionist fruits of people as it marched through the streets. The day began with a review by President Pommeur and M. Clemenceau of the troops of every Allied country, and scenes of indescribable enthusiasm marked the triumphant march-past to the strains of the National Anthem of each nation. In the men it cheered, Paris saw the coming of the victory they are fighting for.

LONDON — [From our New York edition:] Flying Fortresses and swarms of lesser American and British planes darkened the French skies today [July 14] with bombing attacks on an aircraft factory and park at Le Bourget Airport near Paris and other German installations. Four shot down 51 German planes, 45 of which fell to Fortress guns over Le Bourget and Villacoublay, also near Paris, where aircraft repair and assembly plants were pounded.

PARIS — Yesterday was one of the most glorious days in the history of France. On this Fourteenth of July, France's Independence Day, the army of the civilized world, which is fighting

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That was about the same time that President Ronald Reagan in 1986.



OPINION

When the Economy Holds More Threat Than Promise

By E. J. Dionne Jr.

WASHINGTON—The Tokyo economic summit amounted to a group visit to the political intensive care unit. Among the leaders of the world's richest democracies, President Bill Clinton was by far the most popular, a comment not on the love he has aroused among the American people but on the terrible mess politicians find themselves in throughout the industrial world.

Bargains between people and their communities, firms and governments have been shattered.

backs and statesmen alike had a chance of standing on the right side of history and opposing the Soviet monolith. There is something to this, but most of the time, politicians rise and fall on the basis of how the folks at home feel.

logical revolutions, cannot simply be abolished. But for very large numbers of people, the global economy is more menace than promise for the foreseeable future. The new economy shatters the social and personal bargains that people thought they had with their companies, their communities, their governments.

This sense of betrayal came through clearly in a useful study of Ross Perot's voters released by the Democratic Leadership Council while Mr. Clinton was doing his star turn in Tokyo. The study, conducted by Stanley Greenberg, Mr. Clinton's poll-taker, found that Perot supporters were not, as is commonly assumed, mainly worried about the deficit. They were concerned most of all about the overall state of the economy and its failure to reward "the middle class" and "people who work hard for a living."

Supporters of a purely free-market approach recoil at these questions, preferring to see the market gain the upper hand on governments. This view is ultimately shortsighted. It's easy in the abstract to hail capitalism's capacity for "creative destruction." But those whose standards of living get "creatively destroyed" will not sit patiently while governments do nothing. In the worst of circumstances, they will lose faith in both democracy and market economics.



LETTERS TO THE EDITOR

To Bring Semites Together

Regarding "The Semitic Potential" (Letters, July 14) by Paul Kollek: I agree with Mr. Kollek that his vision of a true partnership of all the Semitic peoples of the world is Utopian. But by coincidence I read his remarks while attending the colloquium of the International Council of Christians and Jews in Haifa, Israel. This had as its theme, "Sharing the Blessing of Abraham in the Holy Land Today."

Timidity Is Not Prudence

It is clear that the guiding principle in Europe today is the short-term political survival of small-minded governments possessed of little courage. Bosnia, it is true, was always a doubtful proposition as a country. But if Munich taught nothing else, it should have taught that passivity in the face of evil quickly creates the need for painful activity in the face of greater evil: that in Europe local conflicts have extended consequences.

being created in Bosnia, and would less embarrassingly have been created under the Vance-Owen plan, is a ritualized regional instability. The original tensions in the region run so deep and are so complex and intractable that Germany's headlong recognition of Bosnia was certain to fan the embers of conflict.

As American administration, obsessed with polls rather than principles, led by a president ambiguous about military service, has signalled its intention to withdraw from the leadership responsibilities which this nation's position requires. If it is true that governments are not what happens, that they are the result of what happens in their societies — then in that truth lies the deepest worry about America today.

The Truth About the Bekas

Regarding "Clinton Owes America the Truth about Syria" (Opinion, June 16): A. M. Rosenthal's claim that 90 percent of Lebanon's Bekaa Valley is given over to drug cultivation, based on the report of a U.S. House subcommittee, is the kind of journalism that makes the Middle East such a mystery for Westerners. I spent two weeks in Lebanon in April looking for drugs in the Bekaa Valley, as part of research for an upcoming book, and was never able to find any. Surely drugs are grown there, but the figure of 90 percent is insane.

For Green Revolutionaries, A Latin American Triumph

By Richard Critchfield

EL BATAN, Mexico — Human ingenuity keeps disproving doomsayers. Thomas Malthus's 1798 "Essay on the Principle of Population" changed history, not because of its message that population would outstrip food supplies. Rather, it revolutionized human behavior by making contraception acceptable, so that we got sex without consequences.

MEANWHILE

watch Institute keeps dusting off his old idea that the world's farmers have already pushed the limits on land, seeds, irrigation and chemical inputs. The Green Revolution, we keep hearing, is losing momentum. And sometimes it looks that way, with drought in Africa and Europe, famine in Somalia, one crisis after another in India, 17 or 18 civil wars in Africa. Last year grain output fell by about 60 percent in Zambia, Malawi and Zimbabwe. Farming failed in parts of the former Soviet Union.

So are we running out of food? World production did not increase at all in 1992. Yet the prospect in the coming decade is not of famine but of glut. The biggest breakthrough on the horizon is coming on Latin America's vast cerrado, the seemingly endless grassy plains centered in Brazil. The cerrado covers more than 200 million hectares (500 million acres) — more than all the cultivated land that feeds India's more than 800 million people. Until 20 years ago, this savannah had such acid soils it was considered worthless for farming.

More important, say environmentalists, farming the cerrado probably means saving the Amazon basin and what is left of its tropical rain forests. The link between productive agriculture and saving the environment is not always easily understood. Ever since Rachel Carson's "Silent Spring," scientific

farming conjures up images of fertilizers and pesticides poisoning ground water and leaving cancer-causing residues. In fact, it is not the world's poor people who use most chemical fertilizer. The average farmer in Africa uses just 4 kilos per hectare; that compares to 433 kilos in Germany, 358 in Britain, 260 in China and 93 in the United States.

Meanwhile, breakthroughs in scientific farming are coming in China; India recently invented hybrid cotton; and both Chinese and Indian scientists are racing to come up with hybrid wheat. But the cerrado's potential dwarfs even these advances. "It could be the breadbasket of all South America," says Sanjaya Rajaram, a CIMMYT wheat scientist, "with wheat as a main crop." The best analogy is probably the rapid settling of America's Great Plains, once John Deere's steel plow and Cyrus McCormick's reaper were invented in the 1830s. The comparable breakthrough in the cerrado's case is not just machinery but new techniques of disease-resistant breeding, chemical soil treatment, use of organic matter and no-till farming.

The impact, when it comes to saving the environment, could be the same. In America, land was saved for recreation, wildlife habitat and forestry because science made farming so productive. For example, in 1940 the United States produced 252 million tons of the 17 most important food, feed and fiber crops. By 1980, on only 3 percent more land, it produced 610 million tons.

It looks like this story will be repeated in South America. Dr. Rajaram, regarded by many as the world's top wheat scientist, says that "if Brazil fully develops the cerrado it won't have to touch the Amazon Basin." That is good news for all. International Herald Tribune.

Letters intended for publication should be addressed "Letters to the Editor" and contain the writer's signature, name and full address. Letters should be brief and are subject to editing. We cannot be responsible for the return of unsolicited manuscripts.

GENERAL NEWS

Swiss Seize Italian Fugitive in Scandals

GENEVA — Giuseppe Garofano, a former chairman of the Montedison chemicals group and a key figure sought in Italy's investigation into nationwide corruption, has been arrested in Switzerland and may be extradited, officials said here Wednesday.

in connection with a donation of 250 million lire (\$158,000) to the Christian Democrats, the largest party in the four-party governing coalition. Milan magistrates allege he used company funds to make the payment. Mr. Garofano admits he gave money to the Christian Democrats, but he insists that it was a payment from personal funds.

ever-growing scandal, the agency said 38 were members of the 315-seat Senate and 113 were in the 630-seat Chamber of Deputies. Accusations against them include contacts with the Mafia, fraud, abuse of office, corruption, electoral violations and illegal financing of political parties.

New Bloc Defended By Walesa

WARSAW — President Lech Walesa defended his new "nonparty" bloc Wednesday as the best way to keep former Communists from coming to power in the coming legislative elections.

EUROPEAN TOPICS

In Europe, They're Working Hard Over the Issue of a Day of Rest

Battle lines are being drawn over Sunday store openings in at least three European countries. In France, the Virgin Megastore, which is a big and highly profitable music retailer on the Champs-Elysees in Paris, has been waging a guerrilla war against a law that bans most Sunday work not authorized by the local prefect. When a new prefect recently refused to renew Virgin's one-year special exemption, the store defiantly remained open from Saturday morning in midnight Sunday, serving free coffee and croissants to early morning customers.

Finland hopes a rise in tourism can help improve a steadily darkening economic scene. Finnish exports to the Soviet Union once accounted for 27 percent of the total; but sales to the Soviet successor republics are dimly low, accounting for only 3 percent. Unemployment is now at 20 percent; housing prices are tumbling; stores are going out of business. Fewer and fewer Finns, reports Die Zeit of Hamburg, can afford foreign travel, a new car, or a restaurant visit. "The situation is not just dark," says a Labor Ministry official, "it is pitch black." But Finns seem to be keeping their cool. There is no talk of social breakdown in the Finnish welfare state, says Matti Klemola, editor of Helsingin Sanomat. And the country's suicide rate, traditionally high, has not gone up.

Long taboo in Norway, TV commercials are becoming as unavoidable as the country's coastal rainfall. After years of debate, the government in 1990 licensed Norway's first no-pay commercial channel, TV2. Part of the aim was to help domestic manufacturers maintain an edge against foreign-product advertisers, whose messages, beamed in by satellite, were increasingly invading Norwegian airwaves. The law still forbids TV advertisers to target children directly, and as a result TV2 has no specifically children's programming. Concern about television's influence on children is perhaps not surprising in a country where playgrounds are found on nearly every corner and diaper-changing rooms are common in banks.

Dracula comes home to Romania this weekend, as the latest film version of Bram Stoker's novel opens in Bucharest and 14 other cities. Much to do is being made of the return of the world's most famous vampire, loosely based on a 15th century member of Transylvania's landed gentry, Vlad "The Impaler" Tepes. The Stoker novel has been published, and a distillery, Transylvania Ltd., now offers a "Dracula Spirit" vodka which, of course, is blood red.

WWF World Wide Fund For Nature (formerly World Wildlife Fund) International Secretariat, 1196 Gland, Switzerland. Text: 20,000 primary teachers in Madagascar have already taken part. We commission educational fact sheets, booklets, posters and videos in over twenty different languages. These are distributed to schools and colleges all over the world. If you can help our work with a donation or a legacy please write to the membership officer at the address opposite. You only have to look around you to see that the world still has an awful lot to learn about conservation. Uncle Prom and his fellow villagers recently managed to prevent a new logging concession, and set up a community forest where tree felling is now forbidden. Not that we don't believe in catching them while they're young. WWF also runs training courses to help teachers incorporate conservation into the curriculum. HE'S JUST ABOUT OLD ENOUGH FOR OUR TEACHER TRAINING PROGRAMME.



Iraq Acts to Save Industry From Raid

By Paul Lewis
New York Times Service
BAGHDAD — In anticipation of renewed American and allied air strikes, President Saddam Hussein is seeking to protect strategic Iraqi industries and key government installations by removing irreplaceable machinery, records and equipment and hiding it in safe places, according to foreign diplomats and Iraqis here.

This wholesale dismantling of potential industrial and governmental targets appears to have begun in earnest in June, the sources say, before President Bill Clinton ordered a cruise missile attack against an Iraqi intelligence center in Baghdad.

But it has accelerated since then, particularly in the military-industrial sector, with factories being stripped of whatever machinery can be easily removed and their workers sent away indefinitely.

Officials here have also been evacuated. And in some cases, government officials have been ordered to take files to their homes for safekeeping.

Iraqis here say the foreign intelligence service headquarters that the United States attacked on June 27, with the loss of six civilian lives, was one of the government sites that had already been evacuated in the belief that it might be targeted again as it had been during the Gulf War.

This effort to protect Iraq's key industrial and governmental centers from another bombing attack is being organized by President Hussein's son-in-law, Hussein Kamel Hassan, who oversees the country's military industries.

And it is taking place just as Iraq finds itself at another standoff with the United Nations Security Council over plans for monitoring two missile testing sites to ensure it does not develop forbidden weapons.

Rolf Ekeus, the head of the special commission overseeing the elimination of Iraq's weapons of mass destruction, is expected in Baghdad on Thursday for talks with the Iraqis about their refusal to let his weapons inspectors install surveillance video cameras at these sites or seal equipment there to prevent its use.

Under the Security Council's Gulf War cease-fire terms, Iraq is required to give up its weapons of mass destruction and its industries are to be subjected to long term monitoring by the special commission to make sure that Mr. Saddam does not try to rebuild such weapons.

The Security Council has warned Iraq that it faces "serious consequences" if it continues to prevent the inspectors from carrying this out.

Both Mr. Clinton and the U.S. secretary of state, Warren M. Christopher, have hinted of possible new military action.

On Tuesday, Britain's United Nations representative, Sir David Hannay, who is this month's Security Council president, told Iraq it was "playing with fire."

According to a recent U.S. congressional study, Iraq has succeeded in rebuilding about 80 percent of its military industry which was heavily bombed during the Gulf War.

In a recent interview, the Iraqi minister of industry and mineral resources, Amer Saadi, asserted that 90 percent of civilian industry, which was also attacked during the war, was operational again, although a shortage of raw materials due to the trade embargo against Iraq has left most factories working at 10 to 30 percent of capacity.

The assumption among diplomats in Baghdad is that Iraq still wants a negotiated settlement to the dispute over monitoring of the missile testing sites, particularly since the Security Council has made it clear that until the dispute is resolved, Baghdad can forget about its request for a partial lifting of the oil embargo so it can buy more food and medicine.

But it is not clear whether this will be possible since Iraq is effectively challenging the special commission's right to carry out the long-term monitoring of Iraq's military industries.



PROMISED LAND — Several of about 250 Yemenite Jews who have come secretly to Israel over the past year, sitting Wednesday in front of an immigration office in Rehovot. Only 900 Jews remain in Yemen. Almost all the Jews of Yemen, about 45,000, came to Israel in the 1950s.

Japan Quake Toll Is at 102, Rescuers Seek 160 Missing

By Andrew Pollack
New York Times Service
HAKODATE, Japan — As rescue workers and survivors dug through the rubble of coastal communities devastated by Japan's strongest earthquake in 25 years, Japanese authorities said Wednesday that 102 people had died and that more than 160 people were still missing, many of them victims of towering waves and raging fires.

The worst damage and more than half of the confirmed deaths, occurred on Okushiri, a small island of fishermen and vacationers in the Sea of Japan off the southwestern coast of Hokkaido.

Television images of the island's low-lying village showed scenes of utter devastation with houses and Buddhist temples splintered in the mud, boats thrown far inland, and roofs of some houses floating out to sea.

Estimates of injured varied widely, from 73 to 190. Since the earthquake and tidal wave on Monday night, many residents have been picking through the rubble looking for the bodies of relatives under the smoldering ruins.

Police authorities said they believed some of the victims were swept into the ocean by tsunami that were 3 meters to 9 meters (10 feet to 30 feet) high.

The Yovoso Hotel, located below a hillside, was demolished in a landslide. Elsewhere on the island, which has a population of fewer than 5,000, waves and fires destroyed hundreds of homes.

"We can't see any trace of houses here," a television news reporter said as his camera panned the desolation in Aonae district, on the southern tip of Okushiri.

The quake registered 7.8 on the Richter scale, its epicenter was 80 kilometers (50 miles) west of Hokkaido, 50 kilometers beneath the Sea of Japan.

It was followed minutes afterward by huge waves that flung boats onto the shore and washed houses out to sea. Fires, thought to be caused by gas explosions, raged unchecked through southern Okushiri.

Prime Minister Kiichi Miyazawa flew to Okushiri by helicopter on Wednesday and promised that the government would make efforts to reopen the harbor quickly so that material for rebuilding houses could be brought in.

The armed forces flew in more than 300 troops to conduct rescue operations and to distribute emergency food, water and medical supplies.

Homeless people on Okushiri took refuge in a school and community center. Badly injured people were taken by helicopter to hospitals in Hakodate or Sapporo, Hokkaido's largest city.

Japan's meteorological agency issued a warning for tsunamis about five minutes after the quake, but it was too late for residents of Okushiri and coastal towns on Hokkaido.

Experts estimated the height of the waves at 3 to 9 meters. People ran for higher ground as fast as they could.

"As I was running I could see the houses coming to me," one young man on Okushiri Island said in an interview with NHK, a radio and television network. "They were flowing on the tsunami."

The waves capsize or damaged hundreds of boats on the Sea of Japan coast, as far south as central Japan. There were also reports of boats being damaged or destroyed in South Korea and in Russia's Far East. The Russian news agency Interfax reported that three people were missing at the port of Vladivostok, about 230 kilometers northeast of Vladivostok.

Outside Okushiri, most damage and casualties occurred in towns on the southwestern coast of Hokkaido. There, craters opened in some roads and swallowed cars and trucks. At least 17 roads were damaged, the police said. Thousands of people were without electricity.

JAPAN: Campaigning on Fear

Continued from Page 1

He arrived for a speech in this industrial city, is complete, many up act was the governor of the prefecture, Reiji Suzuki, who talked about the party's "big projects, like the linear motor car, the Expo 2005, and the Nagoya-Kobe highway," all of which need "big help from the LDP."

Although his most potent adversaries are former Liberal Democrats, Mr. Miyazawa is branding all of the opposition as "Socialists" or "Social Democrats," ready to follow the Social Democratic Party doctrine in an "unprincipled alliance." At a press conference just before he greeted the local chapter of Liberal Democrats—mostly the elderly, bussed in to fill the hall—he described the party renegades as "just like curly rice, without any meat and vegetables."

A big white flower in his lapel, the prime minister, 73, bowed deeply to his audience, made only passing mention of political change and the scandals that triggered the election, and talked about jobs.

"Japan's tradition of industrial technology and its high level of training" is what sets the country apart, he said.

"That kind of condition does not exist outside of Japan," he added.

Comparisons with other nations are always an effective strategy in Japan, because they reinforce the country's ingrained sense of uniqueness. Indeed, they suggest that the Japanese—and by extension the Liberal Democrats—found a magic formula that somehow eluded the outside world.

Few are better at missing the specter of urban chaos and disorder than Mr. Watanabe, who despite a severe illness that forced his resignation as foreign minister, says he is angling for one last shot at the prime minister's post. He suggested at a campaign rally that Japan runs the risk of becoming just like the United States, a problem because, right now, "Japan's AIDS level is just a few hundredths of the level in the U.S."

"In the United States," he said, "marijuana is sold everywhere, and there are lots of drug patients."

But not everyone is U.S.-bashing, and certainly not Mr. Miyazawa, who is squeezing every ounce of political advantage out of last week's trade accord with President Bill Clinton. For decades, the Liberal Democrats have made their name as the custodian of the alliance with the United States. Mr. Miyazawa is eager to stress the word that he saved the relationship at a sushi bar on Friday.

"Our negotiations were very, very tough," he told his supporters. After years of bickering between U.S. and Japanese officials over a framework for a trade accord, Mr. Miyazawa said he had decided that the moment had arrived "when the top generals had to meet."

"That's when I suggested taking Clinton out for sushi," he added.

Mr. Miyazawa never said whether it was the eel or the tuna belly that softened the president, and skipped over the fact that officials on both sides said no negotiating had taken place at the sushi bar.

OMERTA: Silence Golden No More at Mafia Tables

Continued from Page 1

Mr. LeVine and Mr. Iannuzzi capitalized on this over-consumption. In their undercover lives, they frequently obtained information concealed at restaurants.

The restaurant is an occupational hazard that has long been ignored by even the wisest of bosses. Dine they must despite the list of casualties. Joey Gallo was gunned down in 1972 celebrating his birthday at Umberto's Clam House in Little Italy. Carmine Galante, the dreaded Bonanno family boss, was assassinated in 1979 dining alfresco at Joe and Mary's Restaurant in Bushwick. And in 1983, Paul Castellano was ambushed at the entrance to Sparks Steak House on East 46th Street.

For reporters who cover organized crime, reconnoitering the dining spots of New York's Cosa Nostra families is a necessity. The landscape ranges over all boroughs: the Plaza Pizzeria in New Dorp, Staten Island; Amiel's in the Belmont section of the Bronx; Russo's in Howard Beach, Queens; Abbraccio in the Pier in Coney Island, and the Criminal Court building in lower Manhattan, a lunchtime retreat for mafiosi as well as judges and prosecutors.

The bond between New York's traditional mobsters and restaurants was illuminated by the slaying of Galante in 1979. At the time, members and associates of the Bonanno and Gambino families delighted in the veal rollatini and chicken cacciatore at the Lanza's Restaurant on First Avenue near 10th Street. Services for Galante were conducted at a funeral home a few steps from Lanza's and the mortician was none other than the restaurant's maitre d'.

Here was a restaurateur who served Galante in life and death.

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NICARAGUA: The Guerrillas Show They're Alive

Continued from Page 1

present or former immigration officials of fraudulently issuing the passports found in New York.

No connection has emerged publicly between these passports and the underground vault operation but authorities reportedly promised to investigate. Senior government officials declined requests for interviews on the matter.

Whether or not more connections are found, the consequences of the blast in El Salvador and Nicaragua have been serious.

In El Salvador, it has threatened to derail the United Nations-mediated peace process because it showed at least one faction of the umbrella Farabundo Marti National Liberation Front failed to destroy their weapons as promised.

In Nicaragua, it has raised new questions about the Sandinista party's past ties to terrorist organizations and possible ongoing links. It has also renewed doubts that President Violeta Barrios de Chamorro has any real control over her country's army or intelligence operations.

Evidence fills 45 bulging manila folders in the tiny chambers of Judge Martha Quezada of the Fifth Criminal Court, who is investigating the case.

Last week she let reporters review the documents. She said there were 310 passports, many blank, from 21 countries.

There were scores of other false identification papers, blank permits for carry weapons and immigration stamps from various countries.

With the documents were reams of detailed studies of companies and more than 100 wealthy families in Brazil, Mexico, Ecuador and other Latin American nations who were potential kidnap victims, noting personal habits, family and political ties, net worth, surveillance techniques and potential ransoms.

Most of the documents appear to date from the period 1986-90, while the Sandinistas were governing. But there are papers from the Spanish Basque separatist group ETA from earlier this year, and documents of the Salvadoran ex-guerrillas from May 1993.

Few familiar with the case believe such an operation could have been set up without at least the Sandinista Front acting as a willing host.

Following the triumph of their revolution in 1979, the Sandinistas developed, with the help of Soviet Bloc and Cuban advisers, the most sophisticated intelligence operation in Central America.

As a legacy of the Sandinista era, Nicaragua is the only Latin American country besides Cuba to host Libyan, Iranian and Palestine Liberation Organization legations.

All ties to irregular groups supposedly were cut when Mrs. Chamorro, a favorite of the United States, defeated the Sandinistas in the 1990 presidential elections. But investigators and diplomats say that because she left the Sandinistas in charge of the military, police, and intelligence operations, the Sandinistas have been able to maintain most of their old network of contacts.

According to court documents, the operator of the repair shop, Miguel Laros Moreno, was 25-Basque who obtained Nicaraguan citizenship from the Sandinistas in 1982 based on a falsified Ecuadorian diplomatic passport.

He vanished after the blast. Other bits have emerged to intrigue diplomats looking at the case, including eyewitness accounts that Mr. Borge, a hard-line Sandinista it was one of the first to arrive at the scene—in his pajamas—and after the blast, even though he held no government position.

The chief military spokesman, Lieutenant Colonel Ricardo Wheeler, former head of the Sandinista military intelligence, said that if the army wanted to hide the origin of missiles, it could simply not have turned them over.

TODAY'S INTERNATIONAL RECRUITMENT
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ANNOUNCEMENTS

THE AMERICAN UNIVERSITY OF PARIS
TEACH ENGLISH

ANNOUNCEMENTS

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TECHNICAL WRITING

ANNOUNCEMENTS

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PLANNING TO RUN A CLASSIFIED AD?

EUROPE

MIDDLE EAST

AFRICA

SOUTHERN AFRICA

NORTH AMERICA

HEALTH/SCIENCE

Exercise Helps Protect Bones, but Not Alone

By Jane E. Brody
New York Times Service

NEW YORK — Concerns about fragile bones have joined worries about being overweight and at risk for heart disease in prompting millions of women near or past menopause to start exercising. Having heard that exercise can help maintain and even increase bone mass, they are walking, running, swimming, cycling and even lifting weights to ward off the fractures caused by osteoporosis.

But many exercise enthusiasts are not getting the benefits they think they are, recent studies indicate. Not all kinds of exercise are equally beneficial to bone strength and some types may do little good. And exercise is but one of three crucial factors in maintaining healthy bones.

The other two, an adequate intake of calcium throughout life and, for women at or past menopause, estrogen replacement therapy, complement the effects of exercise and may even be essential to its potential bone-building benefits. Dr. Morris Nadelovitz, an osteoporosis specialist in Gainesville, Florida, warns that women who think they need worry about calcium or estrogen because they exercise regularly could be mistaken.

Osteoporosis is a debilitating and sometimes fatal disorder of fragile bones. In the United States, it causes 1.3 million bone fractures a year at an annual cost of \$10 billion. The size of the problem is expected to grow as people continue to live longer and as baby boomers who grew up on soft drinks instead of milk pass the big 5-0.

After the age of 35 women lose bone mass at a rate of 1 percent a year, a rate that doubles or quadruples after menopause. In the decade after menopause, women typically lose 5 to 10 percent of the bone-sustaining minerals in their spines alone.

As a result, according to the National Osteoporosis Foundation, one-third of American women over 65 suffer spinal fractures and 15 percent break their hips because of osteoporosis.

For men, significant bone loss usually starts 10 to 20 years later than in women. Men have denser bones to begin with, and the predominant kind of bone that men lose is less crucial to overall bone strength.

But men, too, are affected by osteoporosis; a quarter of hip fractures occur in men. And among men who reach their 80s, one in six will break a hip.

As with many other things in life, if you do not use bones, you lose them. Using bones means working the muscles that support them against a resistant force like gravity. Bone is built up in response to stress and breaks down almost as soon as the stress dissipates. Thus, astronauts outside the tug of gravity and people bedridden by illness or disability lose bone very rapidly.

Many studies have indicated that exercise can help to maintain and even increase the density of bones.

For example, a study at the University of California in San Francisco found that men in their 20s who combined weight training with aerobic exercise for an average of six hours a week for at least two years had denser spinal bones than men who did only weight training or only aerobic. In turn, all those groups had denser bones than a comparable group of sedentary men.

Bone is a "fluid" tissue, constantly being broken down and reformed. To favor buildup over breakdown, the muscles attached to the bones must be contracted and strengthened. This produces piezoelectricity, a force that results in bone deposition at the stress points.

Unless bones are repeatedly subjected to stress, the breakdown process outruns the buildup and bones gradually become porous and weak. Activities like weight lifting that involve high loads and high stresses (and consequent muscle strengthening) are more effective at building bone than activities that involve many repetitive cycles, like running, walking or swimming.

Strength training like lifting weights or working out on resistance machines has recently emerged as one of the best ways to strengthen bones in the spine and elsewhere, even in the elderly. Alternative activities include using a rowing machine or an exercise cycle with increased resistance on the flywheel.

The benefits of exercise to bone seem to be specific to the activity. Thus, runners and cyclists tend to have denser bones than sedentary people in their legs and hips, but not in their arms or spines. Tennis players have denser bones in their playing arm than in the arm that merely tosses serves. Swimmers who do a vigorous crawl would have denser bones in their arms and shoulders than in their legs.

To strengthen bones bodywide, a variety of activities should be pursued that use different muscles against resistance, for example, cycling and swimming.

ALTHOUGH exercise is the only way known to increase bone mass after a person's 20s, it cannot work without the proper support. This means taking in an adequate amount of the bone-building mineral calcium, preferably from food and if not, through supplements: 1,000 milligrams a day before menopause and 1,500 milligrams after.

Nor can exercise alone increase bone mass enough to offset the losses that result from estrogen depletion at menopause. Thus, experts in osteoporosis often recommend estrogen replacement therapy for all post-menopausal women who can use it safely.

Furthermore, they recommend adopting bone-building living habits during the teenage and young-adult years to establish a larger "retirement fund" of bone.

Ideas for a Bone-Building Workout

Aerobic exercise like running may help increase bone mass in the legs, but won't necessarily help bones elsewhere (in the arms, for example) unless done with hand weights. Here are some exercises that target the spine and upper body, and can help increase bone density bodywide.

MUSCLE-STRENGTHENING: FOR SPINE AND HIPS

Isometric abdominal contraction
Strengthens abdominal muscles, which protect the back against strain.

Lie on back, press lower back against floor, bend knees to 90 degrees. Tuck chin to chest and contract abdominal muscles. Hold position for 10 seconds.



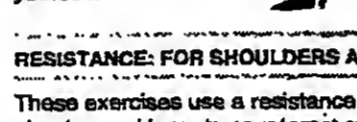
Back extension
Strengthens back, buttocks and hamstrings.

Begin on all fours: With back flat, lift one leg so heel is level with buttocks. Contract buttocks and thigh, hold for 10 seconds. When you feel balanced, lift opposite arm simultaneously with straight leg.

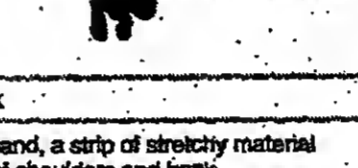


WEIGHT-LOADING: FOR ARMS AND UPPER BODY

Compressive loading: sitting push-ups
Seated in a chair with your feet on the floor, grasp edge of chair seat. Straighten arms to raise yourself an inch off the chair (do not look upward); hold your weight on your hands for 10 seconds. Slowly bend elbows to lower yourself.



Tensile loading: bar hang
Hang from a bar for 10 seconds. NOTE: Avoid this exercise if you have a wrist, elbow or shoulder injury.



RESISTANCE: FOR SHOULDERS AND BACK

These exercises use a resistance stretch band, a strip of stretchy material about a yard long, to counteract rounding of shoulders and back.

External rotation
Grasp band with both hands; keep elbows pressed against waist. Slowly open forearms outward.



Horizontal abduction
Grasp band with arms stretched out in front, about chest height. Slowly open arms to the side; do not lock elbows.



Adapted from Menopause Journal

The New York Times

Rumors Over Diet Drug Exaggerate Its Potential

By Natalie Angier
New York Times Service

NEW YORK — A novel type of diet drug has entered the final stretch of clinical testing in the United States and Europe, and, as might be expected with any new strategy on the weight-control front, rumors about its prowess have been greatly exaggerated.

The new medication, called either by its chemical name, tetrahydrolipstatin, or by its generic name, orlistat, works in what seems to be the sweetest-possible fashion, blocking the absorption of much of the fat that has been consumed and allowing it to pass right through the intestines before the body's annoyingly efficient storage system has a chance to claim it as its own.

In so doing, the drug can help eliminate about 10 to 15 percent of the day's calorie intake with relative ease, sort of allowing dieters to eat their cake and not have it, too. But physicians familiar with orlistat warn that while the drug could prove moderately useful for the truly obese, it is by no means a panacea, and that it will work only in conjunction with those dreary changes in eating and exercise habits that nutritionists have been harping on for years.

"This is not going to be some sort of magic bullet," said Dr. Michael Hamilton of the Duke University School of Medicine. "You're not going to be able to sit down at the table and push away six hours later expecting not to gain weight."

Above all, doctors said, orlistat is not meant for the worried slim who wish to shed a pinch of flesh for a college reunion. "This drug is designed for those who are clinically obese, that is, 20 percent or more above their ideal weight," said Dr. Jonathan B. Hauptman, director of therapeutic research at Hoffmann-La Roche Inc. in Nutley, New Jersey, the company that makes orlistat. "These are the people who are at increased risk of medical complications because of that extra weight. For the person who wishes to lose 10 pounds for a son's wedding, there are easier ways to do that than to go to a doctor and go on a drug like this."

The drug does not increase weight loss by huge amounts; initial clinical trials indicate that, at most, it will double the pounds lost. Usually, it will not help even that much.

In one 12-week study, for example, obese patients who were placed on a moderate diet, which eliminated 500 calories, and who were given the drug three times a day lost an average of nine pounds (about four kilos), compared with the four and a half pounds lost on average by those on the moderate diet alone. And while the drug does not seem to pose any serious medical risks, its modus operandi can result in unpleasant side effects like greasier waste and increased gastrointestinal activity, leading to occasional flatulence and diarrhea.

"When you block absorption of fat, that fat has to come out in the stool, so you end up with fatter, bulkier and slightly more noxious stools," said Dr. Xavier Pi-Sunyer, director of the division of endocrinology and nutrition at St. Luke's-Roosevelt Hospital Center in New York.

The drug is being tested at 100 study sites in the United States and in Europe, and about 4,000 obese patients are expected to participate in the trials worldwide. The early trials have been brief, so the current, and final, round of testing is designed to see how patients fare when they take the drug for up to two years.

The National Institutes of Health estimates that about 34 million Americans are obese and that another 34 million border on being so. Fat people are at increased risk for a host of medical ailments, including diabetes, heart disease, high blood pressure and cancer, not to mention the tremendous stigma they bear in a society obsessed with fitness and the appearance of self-discipline.

Obese people who attempt to diet have an extremely high failure rate, which exceeds the relapse rate for those who quit smoking or drinking. An increasing number of physicians are beginning to ascribe the dieter's difficulties to factors beyond a person's control, particularly genetic predisposition.

"Body weight is really recalcitrant," said Dr. Jules Hirsch, an obesity researcher at Rockefeller University in New York. "In a biochemical and evolutionary sense, it's well wired in there, and the drive to make up lost fat is very strong."

Many doctors have also come to view obesity as a chronic and recurring disease, one in need of medical intervention beyond the classic three-minute lecture about losing weight. "Physicians have traditionally looked at this as a matter of 'Pull yourself up by your own bootstraps, go on a diet and start exercising,'" Dr. Hamilton said. "Well, you have to do these things for diabetes and hypertension as well, but nobody is suggesting you shouldn't also take drugs for these conditions."

With that new acceptance in mind, some doctors have begun placing patients on long-term, low-doses of drugs like phenamine and fenfluramine, mild stimulants that suppress appetite and seem particularly useful in keeping lost weight off.

IN BRIEF

Space Supports Evidence of Black Hole

LONDON (Reuters) — Astronomers on Thursday detailed new evidence pointing to the existence of a black hole. Writing in the journal Nature, Walter Jaffe of Leiden University in the Netherlands and U.S. colleagues said they had taken pictures of a nuclear accretion disk, which scientists have theorized surrounds a black hole. "Using the planetary camera on the Hubble Space Telescope, we have discovered an unexpectedly large disk of cool dust and gas surrounding a bright unresolved nucleus in the active galaxy NGC4261," the article said. "Clearly visible in the center of the image... is a sharply defined absorbing disk that blocks light from the stars behind it."

More Data for Tropics As Hotted of Evolution

WASHINGTON (WP) — Why evolutionary biologists have long asked each other, is life so much more exuberant and diverse in the tropics? David Jablonski, a University of Chicago expert on evolutionary theory, reporting in the July 8 Nature, offers the first quantitative evidence addressing the question. It suggests there is so much more evolution in the tropics that perhaps 75 percent of life's major anatomical diversification originated there.

Mixed Reviews for Autism Treatments

By Daniel Goleman
New York Times Service

NEW YORK — Scientific debates about ways of treating autism, one of the most disabling and perplexing of mental disorders, are fanning both hope and skepticism.

On the one hand, hundreds and perhaps thousands of parents and families are elated that they seem to have found an almost magical means, called "facilitated communication," to break through the walls that separate those with autism from the world around them. On the other, many professionals and scientists, evaluating the approach with scientific tests, are likening it to a Ouija board, contending that those who use it are unwittingly putting words into the mouths of the autistic people they believe they are helping express themselves.

And with much less fanfare, recent studies suggest that two other treatments, one a drug commonly used to treat obsessive-compulsive disorders, the other an intensive program of behavior therapy, may offer more reliable, if less spectacular, results.

Autism, the first signs of which emerge in a child's preschool years, is marked by an indifference to other people, repeating words over and over or other problems in

speaking, bizarre movements like hand flapping or rocking back and forth, and fixation on specific objects or daily routines. People with autism vary widely in intelligence, with some being mentally retarded and others measuring above average on standard intelligence tests. While some can speak clearly, many others do not speak at all.

There is no sure cure, though a few autistic children — perhaps 1 or 2 percent at best — recover from most symptoms by adulthood. An Australian woman, Donna Williams, wrote about her recovery in "Nobody Nowhere" which was a best seller earlier this year.

Over the years there have been a series of treatments for autism touted as breakthroughs which, after more objective inspection, have proven disappointing. Still, recent findings suggest some hope for at least small gains.

A report in The Archives of General Psychiatry showed that clomipramine, a medication effective in treating obsessive-compulsive disorder, reduced or stopped a range of symptoms in three-quarters of 24 autistic children tested. The improvements were seen most strongly in symptoms that resemble compulsions, like hand flapping. But in many children the medication also improved their ability to make eye contact and begin interaction, reduced hyperactivity and stopped temper tantrums that had led children to bite or hit themselves.

"An indirect benefit may be that this helps kids communicate because they are less anxious, frustrated and preoccupied with repetitive movements that can consume hours of their day," said Dr. Charles T. Gordon, a researcher at the Child Psychiatry Branch of the National Institute of Mental Health who led the study.

Dr. Gordon said that clomipramine might be most useful with autistic people who suffer from particular symptoms: compulsions like the ritualistic lining up of objects or elaborate habits like walking a fixed number of steps backward and forward when going through doors, endlessly repeating certain movements like twirling, or being easily overwhelmed by new settings. But Dr. Gordon cautioned that the findings were preliminary and that the medication may not work in all cases.

THERE has also been quiet progress with intensive behavior therapy in treating autism. A team of psychologists headed by Dr. Ivan Lovaas at the University of California at Los Angeles reported in the April issue of The Journal of Mental Retardation on the progress of 19 children with autism who at age 2 had received at least 40 hours a week of behavioral treatment designed to encourage normal behavior.

By age 11, most of those who received the treatment were doing far better than

those in a comparable group who had not received autism treatment at preschool and given them round-the-clock teaching of language and social skills, a large proportion end up substantially improved," said Dr. Gina Green, director of research at the New England Center for Autism in Southboro, Massachusetts.

"Families with autistic children are on a roller coaster," said Dr. Howard C. Shane, director of the Communication Enhancement Center at Children's Hospital in Boston, affiliated with Harvard Medical School. "They get bad news when their child is young, then grow hopeful as new things come along, which then are dashed. Now they're poised at the top of the Six Flags ride."

What has raised hopes to these heights is a burst of enthusiasm about still another treatment, facilitated communication, in which a helper holds or braces the hand, wrist or arm of an autistic person who uses one finger to type words on a keyboard — a task that, at least initially, would be impossible unaided. In theory, the helpers are supposed to "fade back" their control over the person's movements, eventually leaving them free to type messages on their own.

But now a controversy has erupted, as carefully controlled tests seem to show that the communication comes from the helper, or facilitator, rather than the autistic person.

work, schooling and marriage and that stresses attitudes and behaviors that are antithetical and often hostile to success in the larger economy.

In this regard, the authors seek to refute the theory of a "culture of poverty" among African Americans. By substituting instead their own argument for a "culture of segregation," they seem to hold that it is not because blacks are poor that they often behave in ways harmful to themselves and society, but because they are segregated.

But it is difficult to see how that provides much improvement in our understanding of either poverty or of black behavior. It may well be, as others have argued, that the harmful behavior cited above grows not so much out of the culture of the people — whether they are poor or segregated, or both — as out of the structure of the society that makes them poor and that segregates them.

And finally, while one does not wish to say anything good about segregation, or about the racism

BOOKS

AMERICAN APARTHEID: Segregation and the Making of the Underclass

By Douglas S. Massey and Nancy A. Denton. 292 pages. \$29.95. Harvard University Press.

Reviewed by Andrew Billingsley

MANY studies of poverty have fallen short by treating the poor as though they were separate and distinct from the rest of us, and as though poverty and nonpoverty were permanent conditions. But

when IBM joins the parade by announcing the abolition of thousands of jobs this year on top of the thousands it eliminated last year, it is a loud wake-up call signaling that economic insecurity has come to the middle class in the 1990s, just as it had come to the working class some 30 years before.

This development, plus the tendency of the national leaders to look for scapegoats instead of policy solutions, has devastated the black working class and has been primarily responsible for black family instability. Perhaps now that economic instability is reaching the middle class, the United States' leaders will take note. If they do, they will be enormously informed and enlightened by a reading of Douglas S. Massey and Nancy A. Denton's book.

Massey and Denton argue that persistent poverty among blacks in America's inner cities has been largely misunderstood by 20 years of studies. Poverty among the underclass has been attributed to its members' attitudes and behavior and to conditions such as technological change and economic stagnation. Massey and Denton write, however, that racial prejudice and

discrimination by both individuals and voluntary associations and public policies have all ensured the persistence of racial segregation and have, moreover, been missing from the analysis.

The authors are clear in their focus on racial and spatial segregation and on the origin of such racial practices. "This extreme racial isolation did not just happen; it was manufactured by whites through a series of self-conscious actions and purposeful institutional arrangements that continue today," they write.

Massey and Denton, on the basis of extensive, highly focused and painstaking research, have arrived at the same conclusion expressed in almost the same terms as the 1968 Kerner Commission report, which informed a still unbelieving nation that "white society is deeply implicated in the ghetto. White institutions maintain it, and white society condones it."

The authors go to considerable length to show that racial segregation in housing has not always been as rigid as today. "The era of integrated living and widespread interracial contact was rapidly effaced in American cities after 1900 because of two developments: the industrialization of America and the concomitant movement of blacks from farms to cities."

But the authors go further. They point out the linkage between racism, the inner city and persistent poverty among African Americans: "Segregation created the structural conditions for the emergence of an oppositional culture that deviates



THE NEW AGE OF BICYCLE RACING

Once more, as in the days of cycling legends like Eddy Merckx and Bernard Hinault, the world cycling scene is dominated by an overwhelming favorite: Spain's Miguel Indurain. In *Champion*, Samuel Abt guides you through the Tour de France and paints the picture of the sport's leaders.

Samuel Abt is a deputy editor of the International Herald Tribune and author of *Tour de France: Three Weeks to Glory*.

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BRIDGE

By Alan Truscott

ONE of the participants in the final of the Reisinger Knock-out Teams early last month, Mrs. Jacqui Mitchell, won plaudits for an episode in an earlier round on which she sat West. South at one point had realized, with horror that he had inadvertently placed a "pass" card on the table and that West had done the same. "I don't want to win like this," said Mrs. Mitchell. "Let's redraw the board." She and her partner, Peter Parella, nevertheless won the match.

On the diagrammed deal from another tournament, sitting West with a different partner, Parella again faced confused opponents.

North-South had a partnership agreement that North had forgot and South remembered. They therefore landed in three no-trump

instead of the obvious four spades which was bid and made by Parella's teammates in the replay. When the bidding ended, South immediately explained that his response to one heart showed game strength with 4-1-4-4 distribution.

North now knew, too late, that he should have bid four spades and Parella had a useful clue for the lead. Instead of leading the routine heart King, which would have given South chances to make his contract, he led the heart five, which was devastating.

It did occur to South to play dummy's heart ten, but he played low, a play that was due to gain with several other layouts. East won with the eight and returned the suit. South held up his ace for another round and then led a spade to the queen.

Parella took six tricks and had

gained 11imps for his team. He would no doubt have won the opening lead prize — if there had been one.

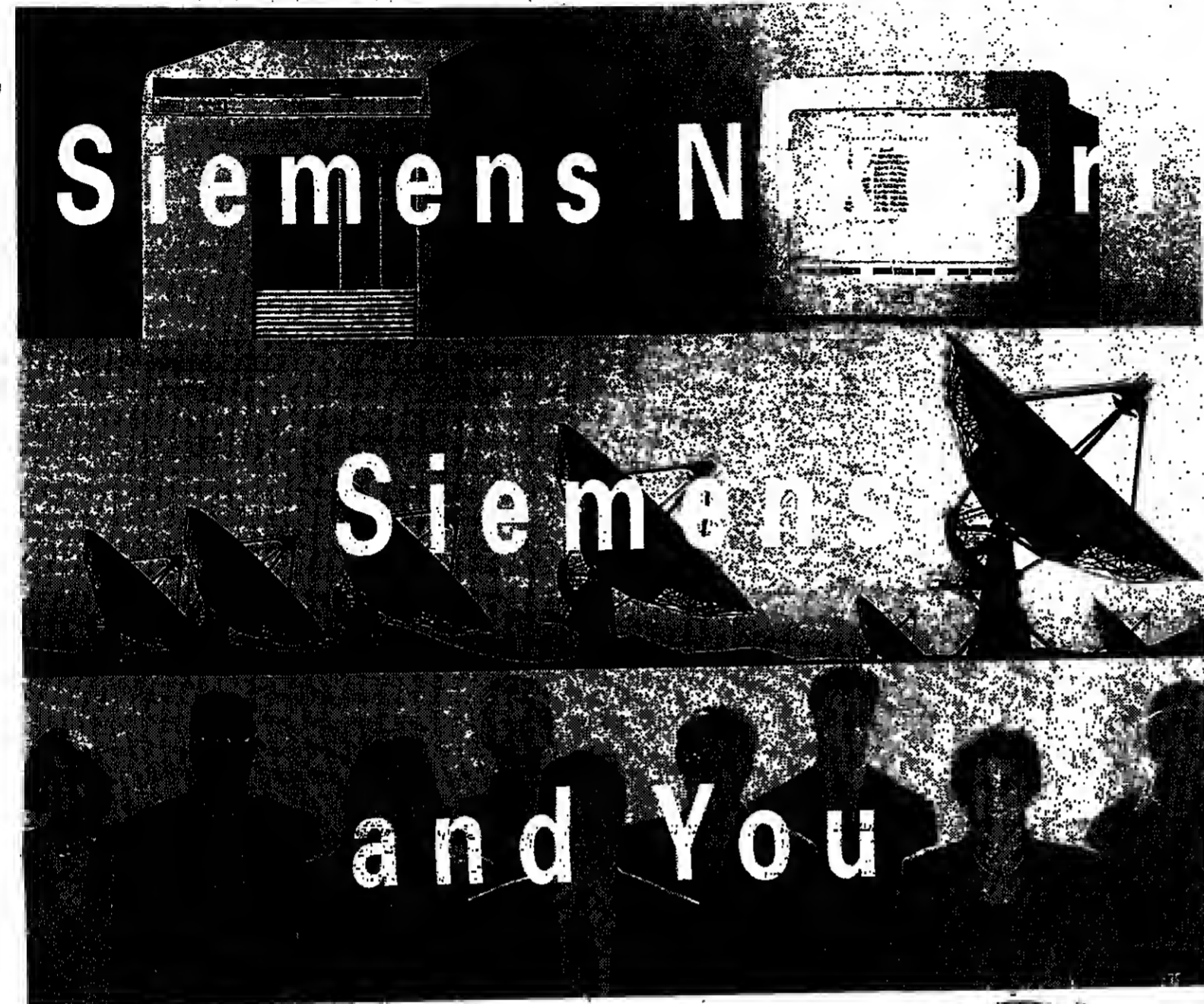
Bridge bidding table with North, South, East, West, Pass, and JNT options.

WHAT THEY'RE READING section featuring a quote from Carlo De Benedetti and a small illustration of a person's face.

**SIEMENS
NIXDORF**

IT-WORLD NEWS

INFORMATION
TECHNOLOGY



Synergy at work with Siemens AG

Synergy between partners, drawing on the huge potential of Siemens AG for performance capacity far beyond the reach of Siemens Nixdorf on its own, and working with clients to plan and develop the final product: integrated solutions, from central servers in administration to process control computers in the factory – solutions which can only be provided by Siemens Nixdorf working with Siemens AG's plant, transport and automation technology divisions and public and private networks. From "Computer Integrated Railroading" – the computer-supported control and supervision of rail movements at the Munich North shunting yards – to the integration of diverse computer and database systems for a more efficient construction and redevelopment strategy at Horsham – planned by Siemens and carried out by Siemens Nixdorf. The achievements of "Synergy at work" worldwide translate into benefits for clients in every sector, from BMW to national energy suppliers such as MEW Kuwait. See this new issue of IT World News for more details.

Example of synergy in power supply
Kuwait: From high voltage network to data network "Synergy at work" covers the lot.



The Kuwait Ministry of Electricity and Water (MEW) is investing 130 million DM to bring itself right up to date in terms of monitoring and controlling the power station operation together with the 300/132 kV high voltage network. The aim is to create an integrated mains supply technology within 36 months, thereby making the power supply more reliable and more efficient. Siemens is providing the mains technology – using SINAUT Spectrum. Combined with this is Siemens Nixdorf's latest computer technology – workstations with SINICAL SINIX software, and PCs for office automation, as well as

intelligent expert systems for troubleshooting in the event of system failures. SINICAL provides comprehensive network planning, calculation and analysis – data from the power stations and substations is transmitted, processed by the computer system and displayed on screen as compressed graphical information. Using this information, the power station operation can be perfectly coordinated and the electricity network economically operated – through optimal load distribution. As well as updating the mains technology, MEW's communications transmission network in Kuwait will also be upgraded and modified.

Example of synergy in telephone billing
Bangkok: Hot billing a hit at the Telephone Organisation of Thailand.

To ensure first-class service to its customers, the Telephone Organisation of Thailand (TOT) has decided to utilize "Synergy at work", by combining the Siemens Digital Public Switching System EWSD with a SINIX® computer with RISC-architecture from the Siemens Nixdorf Group. The company has installed Siemens' EWSD digital switching system which puts through several million phone calls every day, as well as recording charging units. "Synergy at work" then provides instant telephone billing at the company's branches, through direct connection of Siemens Nixdorf high-speed SINIX computers to the EWSD, and a link to the account printer at TOT branches. Via the EWSD system, the computer is immediately informed of the duration of a public telephone call made by a TOT client. It calculates the units and charges, and prints out the account in Thai script. The advantage for the client is that it is no longer necessary to wait for the clerk on duty to read the charge meter, look in the rate list and calculate the charge. Instead, the entire transaction ope-

rates in synergy between the EWSD system and the SINIX computer – from tariff determination right through to hot billing printout. The client then only has to go to the counter and pay, and retains the hot billing printout as a receipt.



SINIX® is the UNIX® operating system from Siemens Nixdorf. UNIX® is a registered trademark of UNIX System Laboratories Inc. in the USA and other countries.

IN BRIEF

More Evidence of Existence of Black

More Data for the As a Member of the



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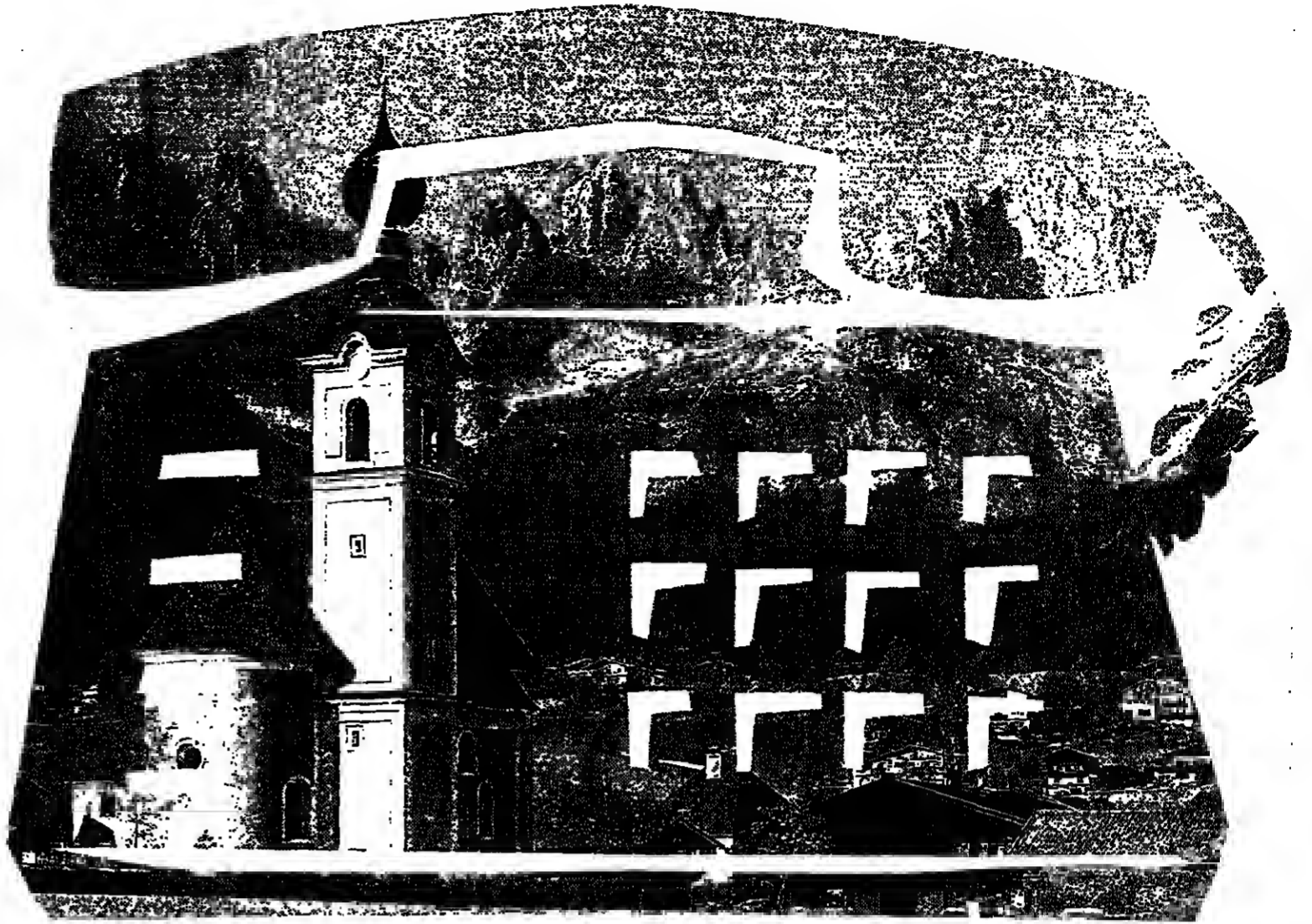
Example of synergy in public administration

Horsham District Council bases town planning on a geo-information system.

Horsham is located just 40 kilometres from London and has to cope with the challenges of being a successful and growing town close to a metropolis. To deal with the constantly changing needs in housing and business re-developments, Horsham District Council has implemented one of the UK's most ambitious local government IT projects. In the first phase of the project Siemens Plessey worked closely with the Council and carried out a detailed employee survey that defined information "workflow" throughout the organisation. From this information Siemens Plessey created a corporate data model (CDM), which was used to develop a blueprint for the efficient running of the Council and to inform future IT implementations. In the second phase of the project Siemens Nixdorf used the CDM information to advise its installation of an advanced geo-information system. In the Council's planning department, SICAD was implemented on a mainframe as well as on four UNIX* and three PC workstations. Around 700 Ordnance Survey maps for the Horsham region were fed into the system. A further 300 sets of maps on statutory building restriction building records were also added. SICAD will soon also be accessible on an existing property, geographical and historical databank, and via a registration system. With this databank, Horsham's council personnel can respond quickly and in detail to enquiries on building approvals, for example when they deal with environmental, legal or historical enquiries. For this, SICAD data will be retrieved via networked computers and assembled in the appropriate format. The information is then transmitted back and forth between the appropriate departments - without the need to struggle through a jungle of papers and maps, or having to spend hours searching through archive material. According to Martin Pearson, Horsham's Chief Executive Officer and prime initiator of the IT project: "With Siemens Nixdorf's geo-information system, we have access to a huge volume of information of benefit to all sectors of the community."



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aspost.



Example of synergy in telecommunications

Vienna: Austrian Post opts for the direct line between Siemens and Siemens Nixdorf.

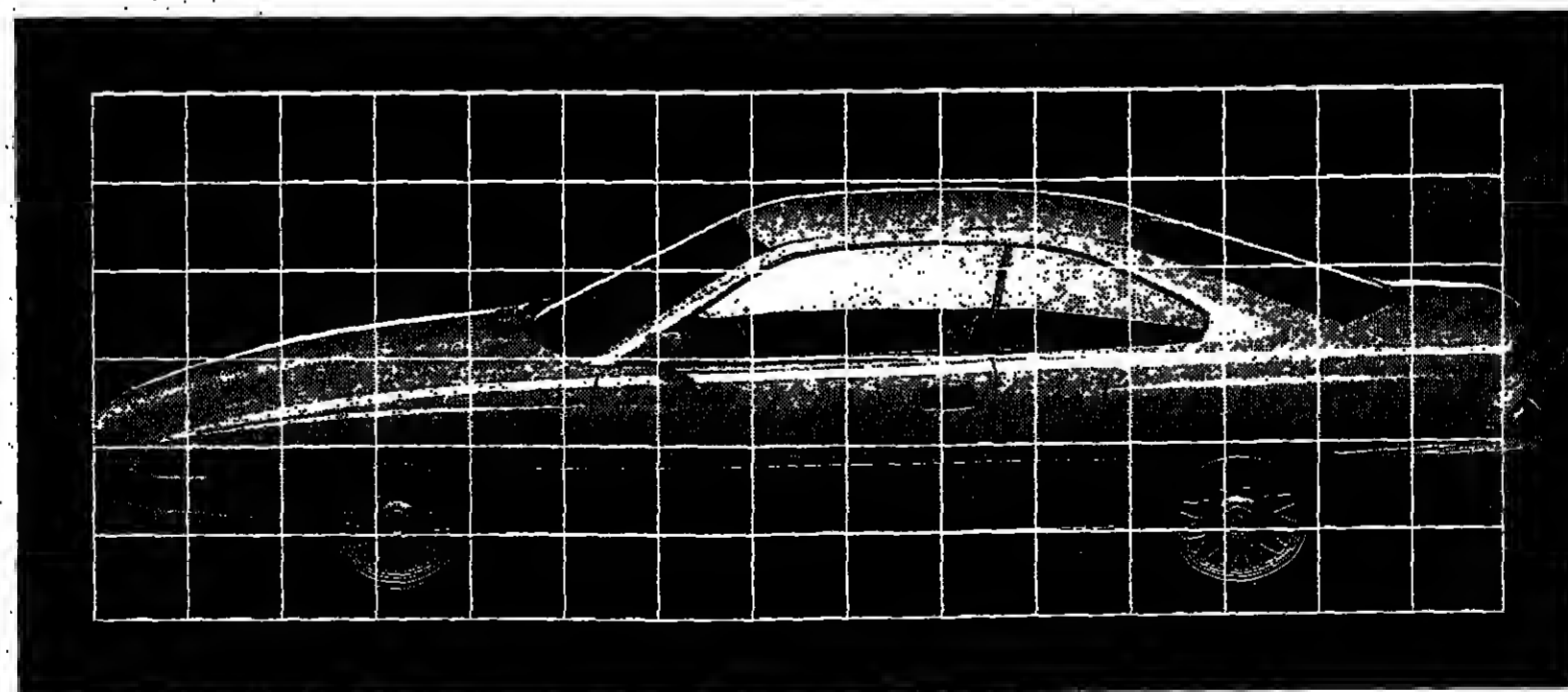
Digital telephone operation from Siemens-service, management and maintenance from Siemens Nixdorf: for the Austrian Post Office and Telegraph Administration (ÖPTV) this is the ideal combination to bring a new level of efficiency into telecommunications. The OES-E digital telephone network for most of Austria has been controlled by Siemens' EWSD system since 1985, Siemens Nixdorf now brings extra performance to its operational management. BS2000 computers with the TED subscriber and customer care database, and an extra processor for operation and maintenance of the EWSD system, are the heart of the newly establish-

ed, multi-functional operations offices. Connected to that are the workplaces and the telecommunications installations at the operations offices, Siemens EWSD systems in the exchanges, plus data connections to the ÖPTV computer centre. The synergy effect is demonstrated by employees in the operations offices being able to receive notification of faults in the telephone network via the Siemens Nixdorf and Siemens system connection, and to process them directly. The line operation, for example, can be checked from the BS2000 computer at the touch of a few keys. All the telephone subscribers can be managed via the data base. If, for example, a new connection is requ-

sted, the telephone number connection details are entered on the data base by the operator. The BS2000 computer then commands the EWSD system to make the line available. Charging details from the EWSD system are transferred to the BS2000 computer once a day and then conveyed in their processed form to the ÖPTV computer center for invoicing. As well as achieving new levels of cost effectiveness in network operation, ÖPTV, working with Siemens and Siemens Nixdorf, is setting new standards of technology for telecommunications in Europe.

Example of synergy in the automobile industry

Munich: "Synergy at work" running in top gear at BMW Customer Service.



Ever safer, ever more efficient, ever closer to perfection - but as sophisticated as today's automobile technology may be, its maintenance is placing ever greater demands on mechanics and their equipment. For example, for accurate diagnosis of faults within the complex control systems of BMWs, the standard workshop equipment has been inadequate to the task. So the Bavarian car manufacturer has ordered "Synergy at work", combining Siemens'

latest automation systems and Siemens Nixdorf's information technology for servicing the latest automobile technology. TESTER, the diagnostics system from Siemens, immediately pinpoints problem areas on the vehicle. TIS, Siemens Nixdorf's technical information system, provides efficient backup for maintenance and service. As an electronic workshop manual using CD-ROM, TIS not only reduces the flood of paper to a minimum; it also provides BMW service technicians with all the information they need -

from details on the right tool for a particular job to a complete guide to repairs and installation. Both systems are combined in a comprehensive dealer information package with other Siemens Nixdorf components, such as the electronic parts catalogue and business management programs for processing orders and for job planning. "Synergy at work" is running in top gear at BMW, providing a highly organised and efficient customer service.

MARKET DIARY

Price Data Boost Stocks and Bonds

NEW YORK — Stocks rose Wednesday, boosted by good inflation news that sent bond prices surging, but equities ended below their best levels of the day and bank stocks were weak.

The Dow Jones industrial average gained 27.11 points, to 3,542.55, but the blue-chip indicator slipped from its high of more than 3,550.

The impetus for the rally was the government report that consumer prices were unchanged in June. The report on wholesale prices Tuesday, squelched fears of inflation that had been building in previous months.

Accordingly, bond yields fell across the board. The bellwether 30-year Treasury bond returned 0.56 percent, down from 0.61 Tuesday, while 10-year notes were paying 5.70 percent, down from 5.74.

The three-month Treasury bill was discounted at 2.99 percent, down from 3.03, providing a yield of just 3.06 percent.

As inflation concerns receded, gold prices fell, with the August futures on the Commodity Exchange dropping \$3.10 a share, to \$391.40.

Bank stocks drew attention for a lackluster performance. Frank Barcoy at Advest Inc. said although bank earnings for the second quarter were below expectations, many banking issues have fallen. J.P. Morgan fell 1/4 to 69 3/4.

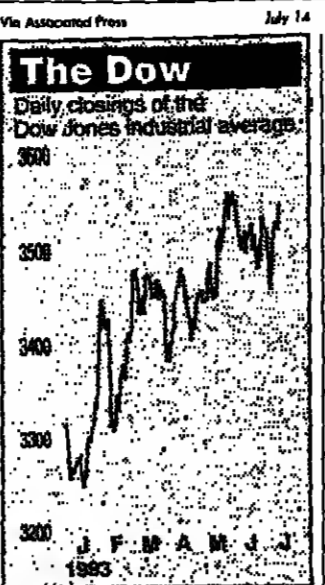
Mr. Barcoy said: "The bank group was weak from mid-April through May, then speculative money appeared to buy the lows. Now, we're seeing selling into strength."

Repsol passed the New York Stock Exchange actives, up 1/4 to 24 1/4. The Spanish government reduced its stake in Repsol, a Madrid-based oil and gas concern, to 40.5 percent from 41.1 percent following the second conversion of the company's convertible-bond offering.

Home Shopping Network followed, off 1/4 to 14 1/4. It received a merger proposal on Monday from QVC, a rival owned by a large Home Shopping Network shareholder, Liberty Media. QVC dropped 1/4 to 70 1/4 and Liberty fell 1/4 to 25 1/4.

In over-the-counter trading, Mathsoft lost a third of its value, falling to 6 from 9. The software company predicted a quarterly loss on Tuesday.

Wang led the American Stock Exchange actives, unchanged at 5 1/4. (Knight-Ridder, UPI)



The Dow Jones Industrial Average, 1985-1993

NYSE Most Active

Table listing NYSE Most Active stocks with columns for Volume, High, Low, and Change. Includes stocks like Repsol, Home Shopping Network, and Wang.

AMEX Most Active

Table listing AMEX Most Active stocks with columns for Volume, High, Low, and Change. Includes stocks like Home Shopping Network, Liberty Media, and Mathsoft.

NYSE Diary

Table showing NYSE Diary with columns for Advance/Decline, Total Issues, New Highs, and New Lows.

Amex Diary

Table showing Amex Diary with columns for Advance/Decline, Total Issues, New Highs, and New Lows.

NASDAQ Diary

Table showing NASDAQ Diary with columns for Advance/Decline, Total Issues, New Highs, and New Lows.

Dow Jones Averages

Table showing Dow Jones Averages for various indices like Industrials, Utilities, and S&P 500.

Standard & Poor's Indexed

Table showing Standard & Poor's Indexed for various sectors like Industrials, Utilities, and Finance.

NYSE Indexes

Table showing NYSE Indexes for Composite, Industrials, and Utilities.

NASDAQ Indexes

Table showing NASDAQ Indexes for Composite, Industrials, and Finance.

AMEX Stock Index

Table showing AMEX Stock Index for High, Low, and Change.

Dow Jones Bond Averages

Table showing Dow Jones Bond Averages for 30 Year, 10 Year, and 90 Day.

Market Sales

Table showing Market Sales for NYSE 4 p.m. volume, Amer 4 p.m. volume, and NASDAQ 4 p.m. volume.

N.Y.S.E. Odd-Lot Trading

Table showing N.Y.S.E. Odd-Lot Trading for various stocks like IBM, Microsoft, and Apple.

S&P 100 Index Options

Table showing S&P 100 Index Options for various months and strikes.

NYSE Diary

Table showing NYSE Diary with columns for Advance/Decline, Total Issues, New Highs, and New Lows.

Amex Diary

Table showing Amex Diary with columns for Advance/Decline, Total Issues, New Highs, and New Lows.

NASDAQ Diary

Table showing NASDAQ Diary with columns for Advance/Decline, Total Issues, New Highs, and New Lows.

EUROPEAN FUTURES

Table showing European Futures for Food and Metals.

Food

Table showing Food futures for COCOA (LCI) and SOYBEAN.

Metals

Table showing Metals futures for ALUMINUM and COPPER.

Stock Indexes

Table showing Stock Indexes for FTSE 100 and DAX.

Spot Commodities

Table showing Spot Commodities for Aluminum, Copper, and Zinc.

Dividends

Table showing Dividends for various companies like Amgen and Merck.

Financial

Table showing Financial futures for EURO DOLLAR and LIBOR.

U.S. FUTURES

Table showing U.S. Futures for various commodities like Wheat and Soybeans.

Grains

Table showing Grains futures for Wheat and Corn.

Metals

Table showing Metals futures for Silver and Gold.

Livestock

Table showing Livestock futures for Cattle and Hogs.

Financial

Table showing Financial futures for Euro Dollar and Libor.

Zurich

Table showing Zurich futures for various commodities.

Food

Table showing Food futures for Coffee and Sugar.

Stock Indexes

Table showing Stock Indexes for Nikkei and Hang Seng.

Commodity Indexes

Table showing Commodity Indexes for various raw materials.

Commodity Indexes

Table showing Commodity Indexes for Energy and Metals.

Commodity Indexes

Table showing Commodity Indexes for Agriculture and Precious Metals.

Commodity Indexes

Table showing Commodity Indexes for Energy and Precious Metals.

U.S. / AT THE CLOSE

Marion Merrill Dow Announces Cuts

KANSAS CITY, Missouri (AP) — Marion Merril Dow Inc., the pharmaceuticals concern said Wednesday it would cut 13 percent of its workforce, partly in a reflection of pressure to maintain profits in the face of growing criticism about prices.

Most of the up-to-1,300 full-time job reductions will be in the United States, including a plan to eliminate about 275 of the current 1,500 sales representatives and managers, the company said.

Marion Merril Dow's corporate parent, Dow Chemical Co., said the restructuring charge would reduce its earnings by about \$81.8 million.

Bowater to Cut Newsprint Output

DARIEN, Connecticut (Bloomberg) — Bowater Inc., the largest U.S. newsprint manufacturer, said it would cut annual production 16 percent. The reduction would lower the total amount of newsprint manufactured in North America by about 1.5 percent.

ITT Studies Changes to Trim Costs

NEW YORK (Bloomberg) — ITT Corp. said a study of its support operations initiated June 1 could result in measures saving the company about \$65 million a year after taxes.

About 4,000 of ITT's 106,000 employees are affected, and some jobs will be eliminated at company headquarters in New York; in Secaucus, New Jersey, and at the headquarters of its eight major units.

Regional Banks Report Earnings

CHICAGO (Bloomberg) — First Chicago Corp., the nation's 13th-largest bank holding company, said second-quarter earnings jumped almost five times, to \$169 million, on increased revenue from credit cards and securities trading.

Meanwhile, in Winston-Salem, North Carolina, Wachovia Corp. said second-quarter earnings rose 13.4 percent, to \$123.1 million from the same period a year earlier. It cited increased fee income.

Schwab Quarterly Earnings Up 71%

SAN FRANCISCO (Bloomberg) — Charles Schwab Corp. said second-quarter earnings rose 71 percent, to \$31.6 million, led by growth in revenues from commissions.

The biggest U.S. discount broker said it expected third-quarter financial results to be better than last year's.

Genentech's Profit Climbs Sharply

SOUTH SAN FRANCISCO, California (UPI) — The biotechnology giant Genentech Inc. reported second-quarter earnings of \$104 million on Wednesday, a threefold increase from \$3.4 million in the same period a year ago. The company said rising product sales and contract revenues helped boost its income. It was the second straight quarter of major earnings gains for Genentech, which is 60 percent owned by Roche Holdings Ltd.

For the Record

CS First Boston Group announced that Archibald Cox Jr., president of The First Boston Corp., submitted his resignation.

Sundstrand Corp. reached an agreement for AlliedSignal Inc. to buy its Data Control Division for \$195 million.

Sony Music Entertainment has acquired CAMI Video, a production and distribution arm of Columbia Artists Management, which represents many musical superstars.

President Bill Clinton picked Stanley Tate, a Republican and real estate developer, to be chief executive of the Resolution Trust Corp.

Gannett Co., which operates in the newspaper, radio and television field, said it earned \$113.65 million in the second quarter, compared with earnings of \$97.84 million in the same period a year ago.

Rubbermaid Inc. said second-quarter earnings rose 16 percent to \$50.6 million as the nation's largest housewares company introduced an average of one new product a day.

FRANC: Currency Under Siege

Continued from Page 13

rate mechanism limit of 3.4624 kroner to the Dutch guilder.

The Danish currency later fell below its prescribed floor against the guilder in New York on selling by U.S. hedge funds and speculators, according to New York foreign exchange dealers.

Nikki Nelson-Smith, an analyst at Midland Montagu in London.

Foreign Exchange

said that if the Danish central bank decided to devalue the krona, pressure might increase on the franc.

Sterling and the Swiss franc, meanwhile, have benefited from the market's emphasis on the exchange-rate mechanism, with both currencies gaining on their perceived status as safe havens outside the mechanism.

Sterling was also helped by Wednesday's lower-than-expected inflation figure of 1.2 percent for the 12 months ended in June and the previous day's strong data on manufacturing output in May.

The dollar, taken out of the spotlight by the tension in the European currency grid, was mostly lower as low U.S. inflation removed any immediate expectation of higher interest rates, dealers said.

PESETA: Fourth Devaluation in a Year Is Forecast

Continued from Page 13

my Ministry put the rate several points higher, at 21.7 percent, in May — any cuts in social benefits will be difficult to push through. Even though the unions have indicated willingness to enter negotiations on a social pact, they will be unlikely to make concessions on wages if benefits are cut.

"How can you reduce the budget deficit without making cuts in those areas?" asked Nikki Nelson Smith, currency analyst at Midland Montagu. "It may well be an impossible task to achieve."

Despite three devaluations since September, Spanish interest rates remain among the highest in Europe. The benchmark interest rate, the marginal rate on securities repurchase certificates, has dropped from 13 percent to 11 percent since the latest devaluation May 13.

Spanish banks have rushed to cut their lending rates, but commercial rates remain high. Banco Popular, for example, charges a rate of 13 percent on mortgages. In Britain, prospective house-buyers can get a five-year fixed-rate mortgage for 7.7 percent.

Mr. Gonzalez's commitment to the EC and the exchange-rate mechanism could be stretched to its limit by the need to lower interest rates, analysts said.

WORLD STOCK MARKETS

Table showing World Stock Markets for Amsterdam, Helsinki, and Hong Kong.

Table showing World Stock Markets for Brussels, Frankfurt, and London.

Table showing World Stock Markets for Frankfurt, London, and Milan.

Table showing World Stock Markets for London, Milan, and Paris.

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Market Closed

The stock market in Paris was closed Wednesday for a holiday.

Tokyo

Table showing Tokyo stock market data for various companies.

Singapore

Table showing Singapore stock market data for various companies.

Stockholm

Table showing Stockholm stock market data for various companies.

Milan

Table showing Milan stock market data for various companies.

London

Table showing London stock market data for various companies.

Sydney

Table showing Sydney stock market data for various companies.

Toronto

Table showing Toronto stock market data for various companies.

Zurich

Table showing Zurich stock market data for various companies.

For investment information read THE MONEY REPORT every Saturday in the IHT

NYSE

Wednesday's Closing
Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

12 Month High Low Stock Div Yld PE High Low Last Offer

12 Month High	12 Month Low	Stock	Div	Yld	PE	High	Low	Last Offer
120.00	110.00	IBM	3.00	2.7	13.0	120.00	118.00	119.00
100.00	90.00	Microsoft	0.00	0.0	15.0	100.00	95.00	98.00
80.00	70.00	Apple	0.00	0.0	12.0	80.00	75.00	78.00
60.00	50.00	Oracle	0.00	0.0	10.0	60.00	55.00	58.00
40.00	30.00	Amazon	0.00	0.0	8.0	40.00	35.00	38.00

12 Month High	12 Month Low	Stock	Div	Yld	PE	High	Low	Last Offer
150.00	140.00	AT&T	1.00	0.7	15.0	150.00	145.00	148.00
120.00	110.00	Verizon	0.50	0.4	12.0	120.00	115.00	118.00
100.00	90.00	WorldCom	0.00	0.0	10.0	100.00	95.00	98.00
80.00	70.00	Sprint	0.00	0.0	8.0	80.00	75.00	78.00

12 Month High	12 Month Low	Stock	Div	Yld	PE	High	Low	Last Offer
100.00	90.00	Qwest	0.00	0.0	10.0	100.00	95.00	98.00
80.00	70.00	Level 3	0.00	0.0	8.0	80.00	75.00	78.00
60.00	50.00	Southwest	0.00	0.0	6.0	60.00	55.00	58.00
40.00	30.00	Delta	0.00	0.0	4.0	40.00	35.00	38.00

12 Month High	12 Month Low	Stock	Div	Yld	PE	High	Low	Last Offer
100.00	90.00	United	0.00	0.0	10.0	100.00	95.00	98.00
80.00	70.00	Southwest	0.00	0.0	6.0	80.00	75.00	78.00
60.00	50.00	Delta	0.00	0.0	4.0	60.00	55.00	58.00
40.00	30.00	JetBlue	0.00	0.0	2.0	40.00	35.00	38.00

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12 Month High	12 Month Low	Stock	Div	Yld	PE	High	Low	Last Offer
100.00	90.00	Bank of America	0.50	0.5	10.0	100.00	95.00	98.00
80.00	70.00	Wells Fargo	0.40	0.5	8.0	80.00	75.00	78.00
60.00	50.00	Citigroup	0.30	0.5	6.0	60.00	55.00	58.00
40.00	30.00	JPMorgan	0.20	0.5	4.0	40.00	35.00	38.00

12 Month High	12 Month Low	Stock	Div	Yld	PE	High	Low	Last Offer
100.00	90.00	General Electric	0.50	0.5	10.0	100.00	95.00	98.00
80.00	70.00	Westinghouse	0.40	0.5	8.0	80.00	75.00	78.00
60.00	50.00	Lockheed Martin	0.30	0.5	6.0	60.00	55.00	58.00
40.00	30.00	Boeing	0.20	0.5	4.0	40.00	35.00	38.00

12 Month High	12 Month Low	Stock	Div	Yld	PE	High	Low	Last Offer
100.00	90.00	3M	0.50	0.5	10.0	100.00	95.00	98.00
80.00	70.00	DuPont	0.40	0.5	8.0	80.00	75.00	78.00
60.00	50.00	Eastman	0.30	0.5	6.0	60.00	55.00	58.00
40.00	30.00	Amgen	0.20	0.5	4.0	40.00	35.00	38.00

12 Month High	12 Month Low	Stock	Div	Yld	PE	High	Low	Last Offer
100.00	90.00	Johnson & Johnson	0.50	0.5	10.0	100.00	95.00	98.00
80.00	70.00	Pfizer	0.40	0.5	8.0	80.00	75.00	78.00
60.00	50.00	Merck	0.30	0.5	6.0	60.00	55.00	58.00
40.00	30.00	Novartis	0.20	0.5	4.0	40.00	35.00	38.00

12 Month High	12 Month Low	Stock	Div	Yld	PE	High	Low	Last Offer
100.00	90.00	Merck	0.30	0.5	6.0	100.00	95.00	98.00
80.00	70.00	Pfizer	0.40	0.5	8.0	80.00	75.00	78.00
60.00	50.00	Johnson & Johnson	0.50	0.5	10.0	60.00	55.00	58.00
40.00	30.00	Novartis	0.20	0.5	4.0	40.00	35.00	38.00

12 Month High	12 Month Low	Stock	Div	Yld	PE	High	Low	Last Offer
100.00	90.00	Merck	0.30	0.5	6.0	100.00	95.00	98.00
80.00	70.00	Pfizer	0.40	0.5	8.0	80.00	75.00	78.00
60.00	50.00	Johnson & Johnson	0.50	0.5	10.0	60.00	55.00	58.00
40.00	30.00	Novartis	0.20	0.5	4.0	40.00	35.00	38.00

12 Month High	12 Month Low	Stock	Div	Yld	PE	High	Low	Last Offer
100.00	90.00	Merck	0.30	0.5	6.0	100.00	95.00	98.00
80.00	70.00	Pfizer	0.40	0.5	8.0	80.00	75.00	78.00
60.00	50.00	Johnson & Johnson	0.50	0.5	10.0	60.00	55.00	58.00
40.00	30.00	Novartis	0.20	0.5	4.0	40.00	35.00	38.00

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80.00	70.00	Pfizer	0.40	0.5	8.0	80.00	75.00	78.00
60.00	50.00	Johnson & Johnson	0.50	0.5	10.0	60.00	55.00	58.00
40.00	30.00	Novartis	0.20	0.5	4.0	40.00	35.00	38.00

12 Month High	12 Month Low	Stock	Div	Yld	PE	High	Low	Last Offer
100.00	90.00	Merck	0.30	0.5	6.0	100.00	95.00	98.00
80.00	70.00	Pfizer	0.40	0.5	8.0	80.00	75.00	78.00
60.00	50.00	Johnson & Johnson	0.50	0.5	10.0	60.00	55.00	58.00
40.00	30.00	Novartis	0.20	0.5	4.0	40.00	35.00	38.00

12 Month High	12 Month Low	Stock	Div	Yld	PE	High	Low	Last Offer
100.00	90.00	Merck	0.30	0.5	6.0	100.00	95.00	98.00
80.00	70.00	Pfizer	0.40	0.5	8.0	80.00	75.00	78.00
60.00	50.00	Johnson & Johnson	0.50	0.5	10.0	60.00	55.00	58.00
40.00	30.00	Novartis	0.20	0.5	4.0	40.00	35.00	38.00

Continued on Page 17

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NYSE

Table with columns for stock symbols, company names, and prices. Includes 'Wednesday's Closing' and 'These include the narrowest prices up to the close on the New York Stock Exchange...'.

Table with columns for stock symbols, company names, and prices. Includes '12 Month High Low Stock' and 'Div Yld PE 1993 High Low Last Close'.

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INTERNATIONAL FUNDS

July 13, 1993

Main table of international funds with columns for fund name, ticker, and price. Includes sub-sections like 'SEC FUND MANAGERS (Agency) LTD', 'MALLABAR CAPITAL PARTNERS LTD', and 'MERRILL LYNCH MEXICAN INC PORTFOLIO'.

For information on how to list your fund, fax Simon OSBORN at (33-1) 46 37 21 33.

British Aerospace Regains Favor

Investors Warm to Management's Plan for Company

By Richard W. Stevenson
New York Times Service

LONDON — By rights, these should not be happy times for British Aerospace PLC, Britain's dominant military contractor and a major exporter of fighter planes, missiles and ordnance. Spending on weapons is being reduced all over the world; Britain itself recently said it would slash the defense budget by \$2.25 billion, or more than 6 percent.

Yet British Aerospace is riding a wave of newfound investor confidence that has sent its stock up sharply since last fall.

Investors and analysts have been won over by a new management team led by John C. Cahill. The team has shown its ability to guide British Aerospace safely not just through the downturn in military spending but out of a series of other problems. Those problems include weakness in its small-aircraft business, years of losses at its Rover automobile subsidiary and a cyclical downturn in its commercial real estate unit.

The new management very rapidly recognized the scale of the problems and made provisions to deal with them, said Keith Hodgkinson, an analyst at Lehman Brothers in London. "The stock has performed well because the management by and large has delivered on recognizable solutions to the problems."

British Aerospace's shares closed Wednesday at 418 pence (\$6.24) on London's stock exchange. That was below their recent high of 429 pence but still almost four times their low of 107 pence in September 1992, when the market seemed to judge the company a goner.

Many analysts say the price rise is not yet over. Mr. Hodgkinson said the shares could reach 600 pence by 1995, given the earnings improvement he sees coming. Nick Cunningham of Société Générale Strauss Turnbull in London said a share price of 500 pence in the short run — and perhaps 1,000 pence in the long run — is not unrealistic.

"There's still enormous upside," Mr. Cunningham said.

The turnaround began last fall, when Mr. Cahill, who took over 14 months ago, moved to stop the losses in the company's regional aircraft unit, which makes short-range commercial jets and turboprops. He set aside \$750 million (\$1.1 billion) for slimming down the unit, and he reached an agreement to place it into a joint venture with Taiwan Aerospace Corp.

Analysts said the restructuring of the regional aircraft operations should insulate the company from further losses. Last year, the division was largely responsible for British Aerospace's swing to an operating loss from an operating profit in 1991. After the regional-aircraft restructuring and other charges, British Aerospace last year had a loss of £1.2 billion on sales of £9.98 billion.

Its Rover autogroup has always been burdened by a high cost structure. But in the five years since it acquired the carmaker from the British government, British Aerospace has improved efficiency to the point that Rover could turn a profit this year as sales pick up with the end of the British recession.

Perhaps the biggest question hanging over British Aerospace is whether it will remain independent. Last week, it broke off preliminary talks with General Electric Co. of Britain, which is unrelated to the company of the same name in the United States, about combining their military contracting businesses. Analysts said those talks may resume. British Aerospace also is negotiating with Matra-Hachette of France about merging their missile businesses.

But for now, analysts expect British Aerospace to follow a strategy like that of General Dynamics Corp. in the United States: Writing profits out of core businesses and sell everything else when the price is right.

INTERNATIONAL STOCKS

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U.K. Inflation Fell To 1.2% in June; Lowest Since 1964

Compiled by Our Staff From Dispatches

LONDON — Britain's annual inflation rate dropped in June to 1.2 percent, the lowest in almost 30 years, the Central Statistical Office reported Wednesday.

The news was welcomed by Prime Minister John Major, who just a day earlier had hailed a 2 percent surge in industrial production in May.

"All the indications are that we are witnessing a recovery," Mr. Major said in a speech to a tourism conference. "The recovery is in its infancy, but it is growing daily."

The statistical office said the inflation figures were low because of the early start of summer sales, especially of clothing and household goods. Low seasonal food prices also helped.

The Conservative Party has been under fire for running the economy badly. In particular, the Conservatives have been running third in opinion polls for a special parliamentary election in Christchurch, in southern England, on July 29, and there has been concern that a poor showing in Christchurch could damage or even bring down Mr. Major's government.

With output up strongly, inflation falling and mortgage interest rates at their lowest level since the late 1970s, the government is hoping its standing among voters will start to improve.

The June figures compare with a rise of 0.4 percent in May, when the index was up 1.3 percent from a year earlier.

The core or underlying inflation rate, which factors out fluctuations in the cost of home mortgages, was unchanged at 2.8 percent, the lowest it has been since the figure began to be calculated in 1975.

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Investor's Europe				
Exchange	Index	Wednesday Close	Prev. Close	% Change
Amsterdam	CBS Trend	117.10	116.80	+0.21
Brussels	Stock Index	6,767.41	6,752.65	+0.21
Frankfurt	DAX	1,811.57	1,807.16	+0.24
Frankfurt	FAZ	700.59	694.96	+0.81
Helsinki	HEX	1,249.77	1,257.17	-0.59
London	Financial Times 30	2,220.90	2,228.50	-0.34
London	FTSE 100	2,832.30	2,837.10	-0.17
Madrid	General Index	260.16	258.71	+0.56
Milan	MIIB	1,223.00	1,210.00	+1.07
Paris	CAC 40	Closed	1,991.15	
Stockholm	Affarsvaerlden	1,392.51	1,374.73	+1.29
Vienna	Stock Index	388.06	385.39	+0.17
Zurich	SES	825.00	826.00	-0.38

Sources: Reuters, AFP
International Herald Tribune

Very briefly:

- Viag AG will take over Bayerwerk AG after the full sell-off of the diversified Bavarian state industrial concern; the state holds 58.3 percent of Bayerwerk, regional governments 2.9 percent and Viag 38.8 percent.
- Finland's gross domestic product fell 11 percent in the two years of 1991 and 1992; the government statistics body said GDP dropped 4 percent in 1992 and 7.1 percent in 1991, which were revised figures because industry output in 1992 had grown by less than earlier estimated.
- Istituto per la Ricostruzione Industriale said its telecommunications unit SIP SpA and Italcable SpA will be merged by the end of the year, to be known as Telecom Italia; SIP is a local telephone operator and Italcable an intercontinental one, which includes the satellite company, Telespazio SpA and the sea communications concern SIRM SpA.
- British Telecommunications PLC was oversubscribed in its public offer of shares. SG Warburg Group PLC said.
- Quelle Gustav Schickedanz KG said 1992 net profit fell 41 percent, to 146 million Deutsche marks (\$84.9 million) from the year earlier despite a 3.6 percent increase in sales; Chairman Klaus Mangold said the drop stemmed from heavy investments and expenses resulting from the sale of 14 of its shops.

Bottom Is Seen for Germany

HAMBURG — Economic indicators suggest that Germany's recession is bottoming, one of the nation's major economic institutes, HWWA, said in a monthly report.

"Since the beginning of the year, the decline in industrial output and incoming orders has come to a halt," it said. "And foreign orders are actually on the increase."

Industrial output in western Germany rose a preliminary 1.2 percent in May from April, compared with a monthly drop of 1.0 percent in April. West German manufacturing orders were up 3.8 percent in May from April, compared with a 1.1 percent increase in April.

Long-term interest rates have come down substantially, but short-term rates are still too high, the institute said.

OPEN: Office Tolerance Increases BARTER: Trading With Russia

Continued from Page 13

by, because of the proposal by resident Bill Clinton to lift the ban on homosexuals in the military and the increasing clout of the gay rights movement.

"There is a sense that things are changing with Clinton and that people are more understanding now," said Maureen O'Leary, a spokeswoman for the National Lesbian and Gay Political Action Committee, a San Francisco-based U.S. group of homosexual professionals.

"People are definitely feeling much more comfortable now," said Regina Smith, the co-president of Harvard Business School's Gay and Lesbian Alumni Association. She estimated that a majority of the school's 300 members were executives and 75 percent of those revealed their orientations to their co-workers.

Coming out of the closet is a significant event for some executives, like Mr. Pfrommer. At the request of his boss, he told each of his employees, Graham, that he was gay. "I'm glad to do that," he said. "I'm glad to break the news and be open."

Continued from Page 13

officially sanction barter trade, which is not a favorite of tax and customs agents. Senator James Easton, a Nebraska Democrat, got Congress to order a Commerce Department study on the feasibility of having the former Soviet states buy American wheat and other grains with oil and minerals. The study, likely to be favorable, is expected to be released shortly.

New tricks now are the order of the day, in part because the Russians themselves do not yet trust their own evolving system and want to squirrel some of their wealth offshore.

For this, the United States is a favorite location, said Harald Mahnigen, a former U.S. trade official who serves as a consultant to American corporations. Embryo capitalists from the former Soviet Union walk into his Washington office with money they want to deposit in an American bank to set up an American corporation, which will give them the right to a U.S. residency card.

"They still want to work in Russia, but it makes them feel safer to have a green card," he said. "They

also prefer American banks because they remember that after the Soviet crackdown in the Baltics, the banks in Sweden and France gave them money to the Soviet state. In the United States, a demand like that would have dragged through the courts for so long the money never would have gotten to Moscow."

Some Russians represent the formerly closed cities of the military-industrial complex, which have world-class skills to sell and are accustomed to operating independently. They bank profits abroad for consumer goods that are distributed directly to their own workers through their factories.

In one deal with the remnants of the Soviet military-industrial complex, Russia wanted to buy into Motorola Corp.'s worldwide cellular telephone network, which bounces its signals off satellites. Motorola makes the satellites, and 21 of them will be sent aloft by Russia's Khrunichev Enterprises on three Proton rockets.

The network is being organized by McDonnell Douglas Corp., which wants to learn more about the launch business from the Russians.

Saab Guards Niche With New 900 Model

STOCKHOLM — Saab Automobile AB plans to roll out a redesigned 900 series model next week that it hopes will ensure its future as a niche carmaker.

Some industry analysts questioned, however, if the car can achieve the goals set by Saab's joint owners, General Motors Corp. and Investor AB.

On Wednesday, a five-door version of the family-sized 900 is to be launched, echoing in a smaller version the aging 900 it replaces. It will be based on a GM chassis developed six years ago for GM's Opel Vectras and Vauxhall Cavaliers.

Keith Butler-Wheelhouse, Saab Auto's managing director, said using the Vectra chassis cut development time and costs, allowing Saab to break even earlier than expected.

GM said it intended to move the smaller Saab into the "entry-level luxury car" segment. But analysts cautioned that the market has moved on since the Vectra arrived, and they said the 900 may struggle to match the ride and handling of its competitors.

"The real issue for General Motors is to be able to charge a premium in main continental markets," said Adrian Waters of Ludvigsen Associates Ltd., a consulting firm in London.

"It must be distanced from the upmarket Vectras," he said.

But, like other analysts, he said he was unsure whether the new 900 could woo customers away from Audi AG, a unit of Volkswagen AG, or Bayerische Motoren Werke AG, as Saab's marketing plan envisages.

Sig-Goran Larsson, head of product development, said Saab would offer a six-cylinder engine, in contrast to its traditional four-cylinder motors.

NASDAQ

Wednesday's Prices
NASDAQ prices as of 4 p.m. New York time. List compiled by the NYSE, consists of the 1,000 best traded securities in terms of dollar value. It is updated twice a year.

2-Month High	Low	Div.	Yld	PE	Ratio	High	Low	Lowest	Change
100	95	0.10	4.0	15	1.5	100	95	90	+5
110	105	0.12	4.5	16	1.6	110	105	100	+5
120	115	0.15	5.0	17	1.7	120	115	110	+5
130	125	0.18	5.5	18	1.8	130	125	120	+5
140	135	0.20	6.0	19	1.9	140	135	130	+5
150	145	0.25	6.5	20	2.0	150	145	140	+5
160	155	0.30	7.0	21	2.1	160	155	150	+5
170	165	0.35	7.5	22	2.2	170	165	160	+5
180	175	0.40	8.0	23	2.3	180	175	170	+5
190	185	0.45	8.5	24	2.4	190	185	180	+5
200	195	0.50	9.0	25	2.5	200	195	190	+5

4 Arrested At Kirin in Payoff Case

Compiled by Our Staff From Dispatches
TOKYO—Police said Wednesday they have arrested four executives of Japan's leading brewery for allegedly paying \$276,000 to eight racketeers to assure a peaceful annual meeting of shareholders.

Eight alleged racketeers also were arrested in the case involving Kirin Brewery Co., which produces about half of Japan's beer, said a police official.

Japanese companies, which for image reasons seek tranquil shareholder meetings, have been plagued by extortionist called *sokaiya*. They buy a few shares to gain admission and threaten to ask embarrassing questions or disrupt meetings.

Companies also sometimes hire *sokaiya* to monopolize the floor at shareholder meetings to prevent questions from investors. Both practices are illegal.

The police official said those arrested included Tai Tanaka, 56, who headed Kirin's administrative department at the time of the March 30 meeting, and three members of his staff.

In recent years, major companies have held their meetings on the same day so extortionists cannot attend them all.

Yasushi Yamamoto, vice president of Kirin Brewery, said: "The news came as a surprise, and we don't know details about the case. Since the matter is being investigated by authorities, we can't make any further comment."

(AP, Bloomberg)

The Vietnam Energy Bust So Far, Wells Have Come Up Empty

Bloomberg Business News
SINGAPORE—Vietnam, viewed as a great frontier for oil and gas development when it opened the door to foreign explorers five years ago, is shaping up as a great disappointment for the energy industry.

Of the 26 wildest exploration wells drilled off Vietnam's coast since 1988, just one holds gas reserves of a size that would make development commercially feasible, industry analysts said. As a result, oil and gas companies have quietly begun to reassess their commitment to the country.

So far, British Petroleum PLC is the Western company to make a discovery in Vietnam large enough to warrant the investment required to get the goods to market, according to industry officials.

American oil companies were shut out of Vietnam because of a U.S. trade embargo and complained loudly about the golden opportunities they were missing. Now it seems Uncle Sam served them well. "Probably the State Department did American companies a favor by keeping the embargo on," said David Meizer, an executive with Premier Consolidated Offshore PLC, a British oil company that is not exploring in Vietnam.

If Vietnam is a bust, it will be a costly one. Oil companies have already spent more than half a billion dollars in Vietnam and will likely spend double that amount in the next three years, said Ian Cross, geological manager of IEDS Ltd., an energy consultancy.

"The feeling is it could go the same way as offshore Burma," said Mr. Cross. Oil companies spent roughly \$500 million in a fruitless search of Burma's jungles and plains beginning in the late 1980s, before the bulk of them conceded defeat.

Typically, oil companies make binding commitments to governments to spend a specified amount of money, or drill a certain number of wells, in exchange for exploration rights.

"There was perhaps a little overselling of prospectivity in Vietnam in the early days," said James G. Ross, an executive of Gaffney, Cline & Associates,

an energy advisory concern. "The industry has a tendency to go from hot spot to hot spot."

Exploration in Vietnam has been so disappointing that an estimated 80 percent of the licensed areas have been opened up by the licensees to new investors. "People are getting desperate to find new partners before the next round of drilling," Mr. Cross said.

To discourage companies from leaving, Vietnam has begun to extend exploration licenses without requiring new spending or activity commitments. Petro-Canada Inc., Canada's national oil company, has won a six-month extension into three exploration areas.

But while giving with one hand, Hanoi seems to be taking away with the other. It recently introduced royalties on new oil and gas production, and

The U.S. trade embargo seems to have kept American companies from making a costly mistake.

raised income taxes on oil companies. "They are in danger of killing the goose even before it lays the golden egg," said Mr. Meizer.

While most energy specialists think Vietnam is less promising than originally predicted, there are those who still hold out hope. Takashi, an energy specialist with the Institute of Southeast Asian Studies, looks at the results so far and sees opportunities: While only one of the 26 wells drilled so far has commercial potential, 10 of the wells had small amounts of oil or gas. That suggests there may still be some "elephants," or large oil fields, out there.

Clearly, the industry is not prepared to give up. County Natwest Wood Mackenzie of Britain said it expected 28 exploration wells to be drilled this year in Vietnam, up from two in 1992. And it expects as many as 70 wells to be sunk between now and 1997.

Doubled Earnings In China Industry Alarming to Beijing

Reuters
BEIJING—China's 357,000 industrial enterprises more than doubled their earnings in the first five months of 1993, according to figures released Wednesday, prompting official warnings about an overheating economy.

The statistics bureau said industrial enterprises earned nearly 51.3 billion yuan (\$9 billion) from January through May—a 110 percent increase over the same period last year, the China Daily reported.

Sales were up nearly 40 percent, to 1.104 trillion yuan, and pretax profits surged nearly 50 percent, to 129.6 billion yuan.

Economists at the statistics bureau warned that the staggering increases were evidence of imbalances in the economy. Growth has surged to a rate of 14 percent a year in recent months.

"The impressive gains also concealed problems that, if not resolved in good time, might drain the economy and stifle market demand," the statistics bureau said. "The speedup in industrial production has been excessive and has created tension between different sectors of the economy."

Many of the gains were reported in large and medium state enterprises, indicating that reforms ordered in 1991 are bearing fruit and perhaps distorting the figures.

Unprofitable state enterprises were ordered to reorganize by halting production and merging their

plants and workforces with profitable businesses, often switching to entirely different products.

Some enterprises also eliminated support of hospitals, schools and other nonprofit operations. Analysts said these reforms could be a major factor in the earnings surge.

The Xinhua news agency attributed the increased efficiency to autonomous management, growth of heavy industry and soaring consumption in the coastal provinces.

The statistics bureau reported last week that industrial production increased by 25.1 percent in the first half of 1993, compared with the same period of 1992. Industrial growth was up a record 30.2 percent over the same month a year earlier.

Tsingtao Toasts a First

Tsingtao Brewery Co. will make history Thursday when it becomes the first Chinese state company to be listed on the Hong Kong stock exchange, Bloomberg Business News reported from Hong Kong.

China's top brewery beat eight other state enterprises to the Hong Kong bourse.

Although the listing is historic, it will not set any price records, traders said. "Tsingtao is going to meet with some initial selling because of China's current economic problems," said Guy Devenish, associate director at Smith New Court. Investors are shying away from stocks with lots of exposure to China, he said.

Investor's Asia			
Exchange	Index	Wednesday Close	Prev. Close
Hong Kong Hang Seng	2000	6,956.50	6,956.10
Singapore Straits Times	2000	1,775.11	1,777.52
Sydney All Ordinaries	2000	1,804.50	1,804.20
Tokyo Nikkei 225	2000	20,136.11	20,180.42
Kuala Lumpur Composite	2000	718.30	718.85
Bangkok SET	2000	892.98	900.66
Seoul Composite Stock	2000	762.96	762.94
Taipei Weighted Price	2000	4,022.47	4,013.18
Manila Composite	2000	1,616.98	1,624.68
Jakarta Stock Index	2000	357.19	358.78
New Zealand NZSE-40	2000	1,706.62	1,728.73
Bombay National Index	2000	1,027.30	1,028.90

Sources: Reuters, AFP
 International Herald Tribune

Very briefly:

- U.S. companies must wait an average six to seven years for a Japanese development license, compared with two years to obtain an American patent, the U.S. General Accounting Office said.
 - Dream Co., which operates hotels and pinball parlors, is seeking court protection from its creditors, according to Gajoen Kanke K.K., a hotel company in which Dream Co. has about a 22 percent stake.
 - Sharp Corp. plans to raise the value of goods it imports by 20 percent, to 130 billion yen (\$1.19 billion), during the year that ends March 31.
 - Japanese brewers saw beer shipments fall 1.1 percent in the first six months of 1993, to 257.11 million cases, the Nihon Keizai reported.
 - Chrysler Corp. and Philand Motor Corp. of the Philippines plan a \$52 million car factory at the former Subic Bay Naval Station.
- AP, Bloomberg, UPI

Lion Nathan Says It Bid for SA Brewing Assets

Reuters
WELLINGTON—The New Zealand brewing company Lion Nathan Ltd. positioned itself Wednesday to overtake Foster's Brewing Group Ltd. as Australia's largest brewer by making a bid for the breweries of SA Brewing Holdings Ltd.

Lion said it had raised 260 million New Zealand dollars (\$143.1 million) through a placement of 83 million shares, mainly by Australian brokers. Terms were not disclosed, but that amount exceeded the \$120 million that analysts in New Zealand said the breweries might be bought for.

Douglas Myers, the chief executive of Lion Nathan, said the company had made a bid for SA's breweries, but did not disclose the value of the offer. He said the share placement also raised capital to strengthen Lion Nathan's balance sheet.

A purchase at \$120 million could boost Lion's share price, which has been in the doldrums since the Bond Brewing purchase because the New Zealand concern was considered too highly leveraged.

Lion's shares, however, closed 10 New Zealand cents lower Wednesday, at 3.30 dol-

lars, mainly because of the dilutive effect of the share placement, which was at 3.05 dollars a share. Lion's shares stood at 4.80 dollars a year ago.

Lion Nathan, New Zealand's largest brewer, became a major competitor of Foster's in 1990 when it bought the Toobey's, Swan and XXXX brands from the crumbling Bond Brewing empire, formerly controlled by tycoon Alan Bond.

Those brands give Lion more than 40 percent of Australia's beer market.

Still, analysts said the purchase would be a

good strategic move for Lion and would improve its balance sheet.

"If the price is right, it has the potential to be very positive for Lion," Peter Stigley, an analyst for ANZ McCaugham, said.

SA Brewing refused to comment on Lion's bid and has not confirmed that breweries are on the market.

SA Brewing has 73 percent of the beer market in the state of South Australia, through its West End, Southward and Eagle brands, and around 9 percent of the total Australian beer market.

(Reuters, Bloomberg)

Hong Kong Toll Compromise

Bloomberg Business News
HONG KONG—A consortium that will operate a new tunnel under Hong Kong's harbor agreed with the government on Wednesday to reduce its maximum profit from the project.

The Western Cross Harbor Tunnel consortium will get a maximum 16.5 percent return on its investment for the first three years of the tunnel's operation, down from 18.5 percent agreed earlier. If toll receipts provide more money, it will be set aside to defray toll increases. The initial toll is to be 30 Hong Kong dollars (\$3.69). An existing tunnel that crosses Hong Kong island to the Kowloon peninsula now charges 10 dollars.

The arrangement is a compromise with Hong Kong legislators, who thought the original profit margin was excessive. The terms were agreed among the consortium, which will hold a 30-year franchise, and the governments of China and Hong Kong. Chinese-backed companies own 48 percent of the consortium.

Thailand Heds U.S. on Copyrights

Bloomberg Business News
BANGKOK—Thailand's cabinet has approved amendments to the country's copyright law to cover computer software, rental rights and performers' rights.

The amendments are part of Thailand's efforts to convince Washington it is serious about protection of intellectual property, said Abhisit Vejajiva, a government spokesman.

Earlier this year, the U.S. trade representative, Mickey Kantor, sent a letter to Prime Minister Chuan Leekpai asking Thailand to

submit new copyright legislation during the current session of parliament, which ends July 30, Mr. Abhisit said.

"It is my understanding that the U.S. still may not be fully content with this draft," he said. "This is certainly something we will have to look into."

Deputy Prime Minister Supachai Panitchpakdi is to meet with U.S. trade officials this month to discuss the copyright issue. Mr. Abhisit said.

"I expect parliament to debate the amendments before Dr. Supachai leaves, but I can't be sure if they will approve it," the spokesman said.

The trip is yet another move by Thailand to ward off trade sanctions, which Mr. Kantor has threatened to impose if intellectual property protection is not improved.

Mr. Kantor said he would rule on the issue by July 31.

Thailand has long been considered by the United States as one of the biggest violators of intellectual property rights. Until recently, however, the U.S. government mainly sent oral warnings.

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SPORTS BASEBALL

NL Starts With a Bang, Ends With a Whimper as AL Romps

Fun and Games, and a Sixth Straight

By Mark Maske
Baltimore Post-Examiner Staff Writer

BALTIMORE — Major league baseball's 68th All-Star Game had its rugged edges, but it certainly was eventful.

A whirlwind of an evening at Oriole Park at Camden Yards began with wild cheers for Baltimore shortstop Cal Ripken, weaved its way through some attention-grabbing offense and memorably light-hearted moments, then ended with yet another round of jeers at Toronto's Cito Gaston for the manager's failure to use hometown pitcher Mike Mussina in the last inning.

When it was over, the American League had continued its All-Star dominance of recent years with a 3-1 triumph over the National League in front of 48,147, the largest crowd ever to jam its way into this picturesque ballpark. Perhaps more importantly, the show lived up to its massive buildup.

Things got started with a bang, as this became the first All-Star Game ever to produce home runs in each of the first three innings. The NL grabbed a 2-0 lead in the top of the first when the Florida Marlins' Gary Sheffield became the first expansion-team player to hit an all-star homer, with a two-run shot against AL starter Mark Langston.

But the AL responded with huge empty blasts by Kirby Puckett off starter Terry Mulholland in the second and by Roberto Alomar off Andy Benes in the third, then never looked back.

Puckett, who entered the game without so much as an All-Star extra-base hit or RBI on his resume, added a run-scoring double in the AL's three-run fifth and was voted the most valuable player award.

Albert Belle and Ken Griffey Jr. provided RBI singles in the fifth off losing pitcher John Burkett as the AL totaled seven runs in innings five, six and seven.

"It's something I never even thought about," Puckett, playing in his eighth all-star game, said of the MVP honors. "It feels real nice, though."

Mostly it was a good night for the much-maligned Toronto Blue Jays' all-star contingent, highlighted by Alomar's home run and Devon White's RBI double. It also was a good night for other hitters, who tied all-star records with seven doubles and 10 extra-base hits. The NL's Barry Bonds equaled the all-star mark with two doubles and Sheffield also had two hits.

Still, the AL won its sixth straight game, has captured seven of the last eight and eight of the past 11. The six-game string is the third-longest winning streak in all-star history.

"Those guys are powerhouses over there," Bonds said, "and they're tearing us up right now."

It was not a good evening for the Atlanta Braves' all-star party, which had two errors, plus two run-scoring wild pitches by John Smoltz in the AL's three-run sixth. That prompted the crowd to begin a round of derisive "tomahawk chops."

The fans saved most of their displeasure, however, for Gaston, who sent his own Duane Ward to the mound in the top of the ninth rather than Mussina, who warmed up in the

bullpen while Ward pitched, said he was not upset because he had been told before the game that he and Pat Hentgen of the Blue Jays likely would be held back for extra innings. He merely was getting in his regular between-starts work in the bullpen, he said.

Said Gaston, who already was unpopular among the locals for leaving Orioles Chris Hoiles and Gregg Olson off the team: "I guess I should just get out of town."

The night's quirks included a classic at-bat in which AL fast-ball pitcher Randy Johnson struck out Philadelphia first baseman John Kruk after throwing a ball to the backstop, and Texas catcher Ivan Rodriguez lodging a line drive in the left field fence. Jack McDowell, a pitcher for the Chicago White Sox, picked up the victory with just one inning and eight pitches of work.

This was Baltimore's first All-Star Game since 1958, and thus the first at new Camden Yards. Yet, at least in the early going, it looked as if it would be well worth the wait.

Neither starting pitcher exactly sparkled. Langston quickly got the AL in a hole when, with one out in the top of the first, Bonds ripped a double into the right field corner and Sheffield picked out a high fastball to pull a high fly just inside the left field foul pole for the night's first home run.

It didn't take the AL long to respond. In the bottom of the second, Puckett took a low fastball from Mulholland and hammered it over the fence in straightaway center field to make it a 2-1 game. An inning later, Alomar tied it 2-2 with his leadoff homer off Benes.

Johnson provided perhaps the evening's best moment in the top of the third. The 6-foot, 10-inch 121-meter-left-hander with a fastball that flies at 98 miles per hour (158 kilometers per hour) sent a pitch sailing well over Kruk's head, all the way to the backstop. That is enough to unnerve any hitter, and Kruk was no exception. He stepped distinctly toward first base on each of his next few swings, and Johnson left the mound grinning after striking him out on an almost-unfair curve ball.

"The ball just got away," Johnson said. "But John has the type of personality, I think, that he didn't think anything of it."

The other contender for best moment got the AL started in the bottom of the fifth. Rodriguez's fly ball to the alley in left-center field hit the wall and stayed there, lodging itself between two pads for a ground-rule double. The AL proceeded to get three runs off Burkett for a 5-2 edge.

Alomar's ground ball got Rodriguez to third base, and he scored on Belle's single to right field. Belle kept going, hustling his way into second when David Justice fumbled the ball for an error. Griffey got Belle home with a sharp single to right, and he reached second on Justice's off-target throw home. Burkett hit Cecil Fielder with a pitch, and Puckett's double to left-center scored Griffey from second.

It's been a subpar year for Puckett, at least by his lofty standards. His Minnesota Twins are foundering in last place in the AL West.

with the worst pitching staff, and record, in the league. Puckett is hitting .298 at the break, certainly a respectable figure, but not dazzling for him. Still, he knows how to perform when the spotlight is the brightest.

"A lot of people say I should not be here because my numbers are down," Puckett said. "But I went out and played hard every day."

The NL got within 5-3 in the top of the sixth on Bonds's second double of the game. Sheffield's ground-ball single and Barry Larkin's run-scoring fly ball. But the NL unraveled in the bottom of the inning, when Smoltz tied an all-star record with his two wild pitches and the AL got three unearned runs to boost its advantage to 8-3.

With two outs, shortstop Jeff Blauser committed the Atlanta contingent's second error of the game, when he muffed Carlos Baerga's roller. Steve Avery of the Braves then walked Belle and allowed White's RBI double before giving way to Smoltz. The right-hander wild-pitched Belle home on his first delivery.

The derisive "tomahawk chops" followed, as Smoltz wild-pitched White home with the AL's eighth run.



Kirby Puckett, with his homer in the second inning, got the American League rolling and won himself the most valuable player award.

All-Star Boxscore

Team	AB	R	H	ER	IP	SO	BB	HR
AL	33	7	11	0	7.0	10	3	2
NL	33	1	3	3	7.0	10	4	1



Kirby Puckett, with his homer in the second inning, got the American League rolling and won himself the most valuable player award.

The National League's Top Pitchers

Team	ERA	W	L	IP	SO	BB	HR
Atlanta	3.30	7	7	283	274	57	10
San Francisco	3.42	14	20	349	327	52	5
Los Angeles	3.57	24	21	211	249	52	21

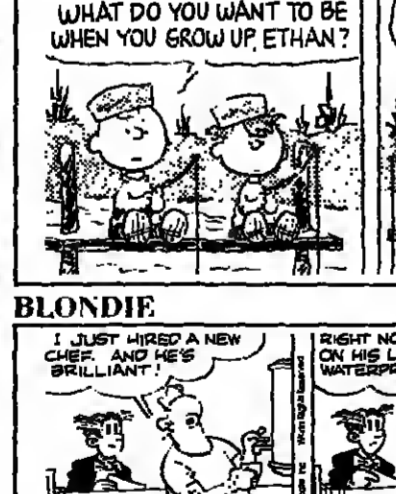
The Top Batting Averages in the National League

Team	Player	AB	R	H	ER	IP	SO	BB	HR
Atlanta	Chipper Jones	387	46	109	89	439	286	51	24
San Francisco	Wally Pfister	395	41	101	79	350	276	51	24
Chicago	Sam Rice	396	24	107	79	358	273	51	24

DENNIS THE MENACE



PEANUTS



BLONDIE



WIZARD of ID



REX MORGAN



GARFIELD



JUMBLE

Unscramble these four Anagrams, one letter to each square, to form four ordinary words.

NADY
 YOSIN
 SAURES
 REBURS

Answer here: THE

BEETLE BAILEY

DON'T LET THE HEAT GET YOU MEN. THE WEATHER CHANGES RAPIDLY IN THIS AREA.

SEE?

7-15

LET'S MOVE

DOONESBURY

THE CONTESSA HAS A CHANGE OF HEART.

AND SO HE DID.

NO BIG DEAL? MAN, YOU'RE SPENDING YOUR LIFE HERE! HONOR OVER THE HOLE! WHEN YOU COULD BE GETTING IN A PIZZ UP IN SANTA BARBARA!

GOOD POINT.

COUSIN!

GRABBY! ALL MY LIFE I'VE BEEN SAVED BY A BELLMAN, KING BELLMAN!

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Joe Carter, in the outfield with Paul Molitor and Wade Boggs before the game, must have wondered about the sign behind them.

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SPORTS BRITISH OPEN

Indurain, in Alps, Puts Stamp on Tour

By Samuel Abt
International Herald Tribune
SERRE-CHEVALIER, France — In case anybody missed the message two days earlier when he easily won a time trial, Miguel Indurain sent it again Wednesday. He will be a hard man to beat in the Tour de France.

The message might even read that, barring accident or sickness, he will be impossible to beat. The Spaniard, who has won the last two Tours de France while riding for the Banesto team, came in third Wednesday in a three-man finish after the first of two daily stages in the Alps. He might have won the stage but, out of traditional courtesy by the overall leader, fell back in the sprint and allowed his two traveling companions to fight it out.

The hiberno unlucky Tony Rominger, a Swiss with the CLAS team, took the victory over Alvaro Mejia, a Colombian with Motorola. They were timed in a rapid 5 hours, 28 minutes, 52 seconds, the same time as Indurain. Fourth and fifth, 1:13 behind, were Andy Hampsten, an American with Motorola, and Zdenek Jaskula, a Pole with GB-MG. Nobody else was close.

Among the lesser losers was Erik Brekink, a Dutchman with ONCE, who started the day in second place overall behind Indurain. He lost more than 3 1/2 minutes.

Bigger losers included such previously favored riders as Alex Zülle, Gianni Bugno and Claudio Chiappucci. Zülle, a Swiss competing with ONCE, lost nearly seven minutes; Bugno, an Italian with Gatorade, lost nearly eight, and Chiappucci, an Italian with Carrera, lost nearly nine.

"Indurain is very strong," Rominger said, acknowledging the obvious. "I attacked him two or three times during the stage and each time he caught me."

When the 204-kilometer (126-mile) run from Villard de Lans to Serre Chevalier was over, having crossed three major peaks in the Alps, Indurain stood far atop the 167 riders remaining of the 180 who started the bicycle race.

Second overall, 3:8 behind the Spaniard, was Mejia. Jaskula (4:16) was third, Brekink (5:7) fourth, Rominger (5:44) fifth and Hampsten (8:6) sixth.

This 80th Tour de France is exactly half over and Indurain must be considered a huge favorite now. He is strong and he is so smart. Rather than waiting for his rivals

to attack him in the Alps, he went on the offensive himself.

"It was impossible to attack him on the Galibier because he was always with me," Rominger explained. He was discussing the third and final climb of the day, the Galibier peak for nearly 18 kilometers at an average grade of 6.8 percent. The Galibier is rated beyond category in length, toughness and steepness, and it was there that Indurain struck, helped by an earlier attack by Rominger that broke apart the pack.

While the Swiss and the Spaniard set the pace on the climb, a group of five racers — the first five finishers — began widening their lead over the shattered chasers. Near the top, Indurain suddenly accelerated, leaving Hampsten and Jaskula behind.

Rominger was first at the summit, winning a 20,000-franc (\$3,650) prize, with Indurain second and 10,000 francs richer. Mejia won only applause from a huge crowd as he trailed them over.

Then the three tore along the 27-kilometer descent to Serre Chevalier, often hitting speeds of 90 kilometers an hour and preventing anybody else from making up time.

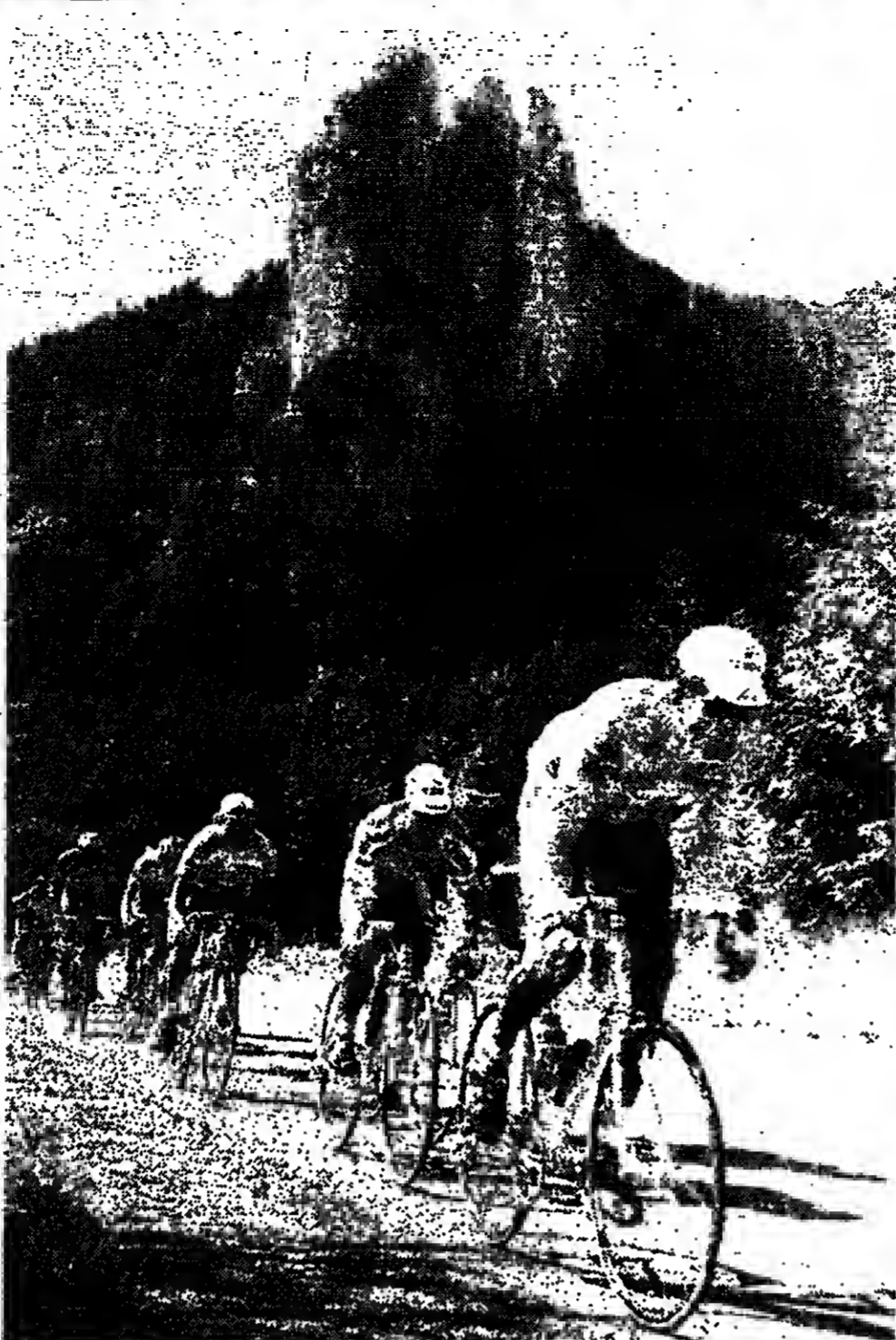
At an overall speed of 37 kph, the stage finished nearly 50 minutes ahead of the earliest predicted time in the Tour's official guide. That is the way the race has been going since its start July 3 and there is no reason to suspect the pace will slacken before the end in Paris on July 25.

And so the French national day came and went like all the other days since the three-week race began: with almost no trace "de France" in the Tour.

No rider for a team from the host country has been close to a victory so far and few French riders have shown their backs to the pack in even an aborted breakaway. The best French finisher Wednesday was Richard Virenque, in eighth place, 4:35 behind. The highest overall ranking for a French rider is Charly Mottet's seventh place, a dismal 9:44 behind.

The problem is that there are no longer any star French climbers and hardly any French stars at all. The next best French rider is 23 or 24 years old, like Virenque, is highly promising but the big names — the Laurent Fignon, the Jean-François Bernard, the Mottet — are all at least 30 and past their best.

In the media, at least, voices are being raised to hear French televi-



Miguel Indurain lead the way up Wednesday's first climb, the 1,924-meter-high Glandon.

sion or to read the French press, one would judge this a great humiliation to the national spirit. The public, however, appears to be indifferent to the disgrace and is turning out in the usual huge numbers at the side of the Tour's many roads.

All along the three climbs Wednesday, hundreds of thousands of spectators sat hunched and bundled in the sunny but cold weather

to cheer along their favorites, to spell their names in rocks on glaciers and even — oh brave new world — to spray-paint the riders' names in day-glo colors on the snow.

French racers tried to make something of the occasion and such men as Mottet, Thierry Claveyrolat, Thierry Bourguignon and François Lemarchand often stayed near the front. Claveyrolat was sec-

ond over the first climb, the 1,924-meter-high Glandon, and first over the second climb, the 1,566-meter-high Télégraphe.

But on the third climb, the Galibier, Claveyrolat faded. There was no shame in that since he did nearly everybody else.

They get a chance to improve Thursday when an even tougher Alpine stage is scheduled.

Daly Mail Comes Express To the Awe of Sandwich

By Ian Thomsen
International Herald Tribune

SANDWICH, England — Nick Faldo and Nick Price know each other as the favorites to win the 122nd British Open this week. So do Payne Stewart and Bernhard Langer and, perhaps, Paul Azinger. The category helps shield them from doubt.

A category is also shared by the usual British contenders, who receive plenty of moral support. There is a category for former champions, always directly opposed by the potential champions. One side cannot win without limiting the other. There are a lot of other categories for players not worth mentioning, but at least they have a secure place to store their egos.

And then there is John Daly. He is alone in his category. He invents his own.

Everyone else need not look far to find solace or strength of rivalry. John Daly has no such community. How and where will he fit into the world's oldest major golf tournament beginning Thursday? It is like trying to find room at the zoo for King Kong.

He arrived Tuesday on the private jet of Jack Nicklaus, with whom Daly is compared, ludicrously. Later they stood in southwest England on famous Royal St. George's, overlooking Sandwich Bay from the toe of the fifth hole, a 42-yard (38-meter) dogleg. Daly asked, "What do I hit here?"

Nicklaus said, "Well, you play an iron out here somewhere, and then you pitch it in."

Daly said, the way kids do staring up at rollercoasters. "I want to hit a driver."

Here one can imagine the Nicklaus frown, the blank accompanying shrug, as he tried to explain that no one had ever tried such a thing, that no one could even say where the green was, so how can you aim for a target without knowing where it is?

But by then Daly had already unseated his driver of its cover, a shaggy red and white Arkansas Razorback puppet with two white fans, swinging all the way around, as if trying to scratch his back where he ... can't ... quite ... reach. He sent three drives away, each over its own distant hill. Two players had been on the green, like South Dakota farmers when the meteorites fall out of the sky. One of these lipped out of the cup.

Daly believes this course offers him more opportunities to over-whelm the imagination than did Muirfield last year, where he finished last at 14 over par in his British Open debut.

"If the wind blows real hard, there's no telling what I'm going to do," he said. "I definitely wouldn't put myself as the favorite to win. The European guys definitely have the advantage. They grew up on

courses like this. I'm just glad I don't have to do this week to week, or I wouldn't make much money."

The betting favorite is Faldo, the defending champion and world's No. 1-ranked golfer, who is 6-to-1 to become the first Brit since World War I to win his fourth British Open. Price, out of Zimbabwe, has been the dominant player on the American tour, and is seeking to overtake Faldo in the world rankings. Langer, the German who won the Masters championship, might be the favorite if not for the neck problems he has suffered since before the U.S. Open.

Stewart, from the United States, who has not won since his championship in the 1991 U.S. Open, has declared himself a contender. Steve Ballesteros cannot say the same. In his last 10 tournaments, the 36-year-old Spaniard has missed five cuts and hasn't come in better than 23d. He is a 66-1 so-longshot.

Royal St. George's is 6,860 yards long, par 70, humpy and hard. Considering the role of wind in enforcing bad bounces, Faldo has suggested — as he would — that only those with a total game should consider winning. In the 11 Opens played here, only Bill Rogers of the United States, with a 276 in 1981, has succeeded in breaking par.

Azinger, another American, is good around the greens and hits the ball low, but Faldo questions his lack of a draw. The defending champion also doesn't believe that high-ball hitters have much chance at all, a justifiable opinion that would seem the end of Daly here. However, he did not appear worried.

"I'm fortunate to be alive, and I'm fortunate to be playing golf," said Daly, at 26 a recovering alcoholic whose addiction has put him in the hospital. "I drunk myself like

a lot of people have — a lot of people have woken up feeling like crap. With me, I just happened to pass out and not wake up for a couple of days. I was just doing it at an early age, and now I'm quitting at an early age."

Early in his practice round Wednesday, he allowed a 12-year-old in the gallery to tee off with his outrageous driver, known as the "Killer Whale." The boy turned out to be a Muscovite named Igor Kazakov, who owns an incomplete set of clubs and knows of only one course, of nine holes, in Russia. By the end of the round, Fuzzy Zoeller was arranging for a full set of new Dunlop clubs for the boy.

Daly's iron shots took off like bottle rockets, the expensive kind. As he walked off the tee he could be heard to say, "Sssss," mimicking the sizzle of his outrageous drives. At the 17th, Zoeller grabbed the club and read from it.

"275 cc," Zoeller said. "What does that mean?"

"That's cubic centimeters," Daly said.

"Oh, that's big time," Zoeller said. He swung the club back and asked, "Does this club automatically go back here?"

Its head was touching his left knee.

Zoeller hit what he called a "Godforsaken" shot, then watched his own driver fall into Daly's grip. "Don't hurt it, it's the only one I got," Zoeller said.

Daly swung as he always does, as he will every drive this week, and the ball sizzled off to land some 300 yards away. He tossed the club at Zoeller and said, in stronger words than these, that he didn't want to hear him complain again.

"It's never been hit that hard," Zoeller whimpered, patting its head.



John Daly, he of the thundering golf shots, had a soft touch Wednesday for Bernhard Langer, he of the troubled neck.

Mitterrand Throws Support to 'Intelligent' Tapie

Compiled by Our Staff From Dispatches

PARIS — President François Mitterrand waded into France's soccer bribery case Wednesday, throwing his support behind the embattled owner of Olympique Marseille, Bernard Tapie.

But the president of the French league, Noël Le Graet, said that its officials had been "almost convinced" from the start that the allegations were true, and he appealed to Marseille officials to divulge what they know about the affair.

The club's general manager, Jean-Pierre Bernès, has been accused by players from the Valenciennes team of trying to bribe them to go easy on Olympique Marseille in a league match May 20, six days before the Champions Cup final for the European title. And Tapie himself, an outspoken politician-cum-sportsman, has been accused by the former

coach of Valenciennes of offering inducements to the coach to accept the blame for the alleged bribes.

"Le Graet said he hoped that Bernès — and Tapie, if he knew what was going on — would now shed light on the case.

Meanwhile, next Wednesday was set as the day for Bernès to meet those who have accused him of offering the bribes.

Tapie got some influential support at Mitterrand's traditional Bastille Day interview by the press.

"As president of OM, I think he's done very well," Mitterrand said. "He is intelligent and energetic. I don't know why he should be in any connection with this affair, when Bernard Tapie has yet to be named, if he ever is, in the legal proceedings."

"He proved to be an excellent minister," the president continued,

backing up to when Tapie was the urban affairs minister in the former Socialist government.

"As for the affair itself, like everybody else, I don't know anything about it," Mitterrand said. "I know a bit about football, I've got my own opinion about players' abilities ... and I like OM a lot, it's a great team which owes a lot to Bernard Tapie."

Tapie was named urban affairs minister in April 1992, resigned six weeks later after being indicted on fraud charges following a suit brought by a former business partner. He was reinstated seven months after that when the case was settled out of court.

Mitterrand also stressed that Marseille's 1-0 victory over Valenciennes may have secured a fifth straight French league title, but that with a four-point lead with two matches to go, plus a better goal

average than second-place Paris St. Germain, Marseille had the title virtually locked up.

"As a citizen, what I fail to understand is why such a great club would do something so dubious and shocking for nothing," Mitterrand said.

He also criticized the judiciary and the media for not showing more prudence.

"It's not up to a magistrate to keep anybody informed while he is examining a case because the secrecy of an investigation is what ensures respect for the person under suspicion, who must continue to be presumed innocent," he said.

Throughout the investigation, the prosecutor, Eric de Montgolfier, has briefed the media and made clear there are grounds for suspicion against Tapie.

"I think greater prudence is called for," Mitterrand said.

He added that it was important to clean up any corruption in French soccer. Asked whether he thought it was widespread, replied: "I hope not."

Le Graet, again, said the league would not be rushed into punishing Marseille by demoting it to the second division, arguing it would be unfair to the players not involved.

He said he was not sure, however, whether Marseille would be allowed to defend its European crown in September.

In Wednesday's draws for next season's tournaments, Marseille was matched against AEK Athens in the first round. (See Scoreboard) UEFA had said Tuesday that Marseille could remain in the draw, but gave the French federation until Aug. 30 to name another team if it so decided.

Bernès, now in a hospital prison being treated for depression, is to be interviewed again next Wednesday along with the Marseille player Jean-Jacques Eydelie, who claims he was a middleman for Bernès, and the three Valenciennes players who have said they were offered the bribe. Christophe Robert, Jorge Buruchaga and Jacques Glassmann.

SCOREBOARD

SOCCER

International Football Federation (IFFHS) announced the 1992-93 season's top scorers in the world's major leagues. The list is based on goals scored in all competitions. The top scorers are: Ronaldo (Brazil), 44 goals; Davor Simunic (Croatia), 38 goals; Andrejs Štejnars (Latvia), 37 goals; and Zinedine Zidane (France), 36 goals.

BASEBALL

Major League Baseball (MLB) announced the 1993 All-Star Game. The game will be held at the SkyDome in Toronto, Ontario, Canada, on July 13, 1993. The American League (AL) will be represented by the Toronto Blue Jays, and the National League (NL) will be represented by the Pittsburgh Pirates.

BASEBALL

Japanese Leagues: The Nippon Professional Baseball (NPB) league announced the 1993 season's top scorers. The top scorers are: Ichiro Suzuki (Tohoku Rakuten Golden Eagles), 44 hits; and Kazuo Matsui (Hanshin Tigers), 38 hits.

BASEBALL

World Series: The 1993 World Series will be played between the Toronto Blue Jays (AL) and the Pittsburgh Pirates (NL). The game will be held at the SkyDome in Toronto, Ontario, Canada, on October 4, 1993.

BASEBALL

World Cup: The 1993 World Cup will be held in Australia. The tournament will feature 16 teams from around the world. The defending champion, the United States, will be one of the participants.

ART BUCHWALD

Landing Gate Blues

NEW YORK — The airlines crew that there is only one cup per person left. The people sitting next to the emergency exits are requested not to try to leap out of the plane via those doors because they will still have to wait for their luggage.



Buchwald

Three hours later he says, "We're still waiting for the 106 flight for Buffalo to leave, and when it does we'll be off and running. In the meantime, I am asking passengers to go easy on the drinking water. I have been informed by the cabin

Buyers Few for Hats of Maxwell's Widow

LONDON — Forty-five hats worn by Betty Maxwell, the widow of media baron Robert Maxwell, went up for sale at Christie's auction house.

But the creations by London and Paris milliners Frederick Fox, Philip Somerville, Ian Thomas, Rudolf and Madame Fausta failed to sell except for two of 12 lots bought for less than £200 (\$300). The couple's belongings are being auctioned off to satisfy creditors of Maxwell's media empire.

Into the Sunrise With the Dirty Dozen

By Mike Zwerin

MONTREAL — The Dirty Dozen Brass Band grew out of a tradition described by the old saying which goes that "if a fly flies crooked in New Orleans, somebody will follow it with a parade."

Jazz will celebrate its centennial anniversary at the end of the decade. It began with the New Orleans brass marching bands like the Tuxedo and the Olympia, and with Jelly Roll Morton, who said that he invented jazz and whose music the DDBB interprets on their latest Columbia album.

The Dirty Dozen Brass Band is neither dirty, a brass band, nor 12 people. Two trumpets, two saxophones, a trombone, a sousaphone (a sort of unwound tuba) and two guys banging drums rapidly, they are as much influenced by The Neville Brothers, with whom they have worked, as Louis Armstrong. They have recorded with Elvis Costello and Manhattan Transfer.

Nevertheless hailed for having revived the brass band tradition in 1978, their name comes from the Dirty Dozen Social and Pleasure Club of which a founder's father was a member. Social and Pleasure clubs throw picnics for birthdays and weddings, raise money for charity and parade for funerals. Sometimes they parade just for the fun of it.

It is more than likely that as you read this the DDBB will be riding, not marching, into one more in a long series of European sunrises. And just about now, as I write it, co-founder and leader Gregory Davis is discussing accident insurance with the Avis car rental agency in Buffalo, New York. If this is success in the jazz business, and it is, let's not even consider failure.

Trumpeter Davis admits to having all the work he can handle. His mortgage is almost paid up, and he owns rental property in New Orleans. Being black, 36, and a jazz musician, this might be considered the American Dream come true. The organization he directs has played stadium concerts with the Grateful Dead. It is well regarded and brings pleasure to audiences all over the world (they just concluded three sold-out weeks in Japan). Why then is this man not smiling?

For one thing, he does not have what might be called a fulfilling family life. Always catching planes, times driving on trumpet and passing the better part of his life in hotel rooms, he has to refuse work six months ahead if he wants to see his wife and young children on Christmas or the Fourth of July. In times of recession, this may seem like a blessing, but the work is about as hard and full-time as work can get.



Gregory Davis (right) leads the Dirty Dozen Brass Band in Montreal.

Even an off-day means traveling to the next job. For short hops, they rent mini-vans, which they drive themselves. They sell their own records and T-shirts, collect their own money, book their own transportation and hotel accommodations. Where are all the roadies, drivers, concessionaires and personal managers? As the old saying goes, "Romance without finance is a nuisance."

The way Davis sees the problem is that "we fall between the cracks." Not knowing how to deal with a real original, he says Columbia does not get products in the right bins of the right stores at the right time. They're too busy dealing with Michael Jackson. Nothing less than seven figures interests them. However, it's also deeper than that. The problem lies in the basic nature of the beast.

The DDBB puts on a more ambitious show than most jazz groups, which cuts two ways. Their attractive, energetic, commu-

nitive stage presence is difficult to translate to recordings. They must be seen to be believed. So they work for their money; their money will not work for them. Their music combines R&B, jazz, funk and even country elements with Cajun and New Orleans brass band tradition into an attractive, eclectic and delightful gumbo.

This is a deep crack indeed. "We've taken a lot of criticism," says Davis. "Because we're not 'pure' enough. But we never had any intention of being only a New Orleans brass band. We listen to Ray Charles, too. Even Louis Armstrong didn't play 'When the Saints Go Marching In' every night."

But the DDBB has had no "Hello Dolly." They sell in five figures, they pull that in the basic nature of the beast. The DDBB puts on a more ambitious show than most jazz groups, which cuts two ways. Their attractive, energetic, commu-

fortune from Stevie Wonder and Spyro Gyra.

So they carry boxes of their albums to sell after gigs. There are always problems with customs agents. They flew from New Orleans into Buffalo, checked 600 copies of "Jelly Roll" in a locker at the airport and rented two mini-vans to drive to Montreal. A swerving motorcyclist caused the two vans to collide on the Peace Bridge. Nothing serious except for the anguish and a late arrival in Montreal. Returning to Buffalo, they took the damaged vans, picked up the product from the locker and took it to their next engagement in Racine, Wisconsin. The following day they flew to The Hague in the Netherlands. Do you believe this itinerary? Somebody is throwing darts at a map.

The illogic continues. Davis says Columbia only shipped 50 copies of the "Jelly Roll" album to the Netherlands. No promotion copies to journalists and radio stations, 50 copies to the shops. The last time the DDBB played Holland, Davis sold 200 copies of an earlier album after one gig alone. He knows the market's there. The more he talks, the more bitter he becomes.

Entering the EC, he will have to deal with other customs agents, rent more mini-vans. This is all in addition to playing music five or six nights a week. Their music is difficult and exhausting, they blow long and hard. The DDBB has opened for Los Lobos, which travels in two buses and three equipment trucks and books hotel rooms in every city even if it means checking in at 2 A.M. and leaving four hours later. On the other hand, the DDBB often drives directly to the hotel in the next town, gets a full day's sleep and then a full night's sleep after the gig, two sleeps for the price of one. This is another old tradition in the glorious history of jazz, it's called "twice."

The resolution of the problem lies in drawing enough new fans so that the name rather than their physical presence will eventually make money. It's called royalties and it is what this business is really about. You don't want to drive mini-vans into sunrises into your old age.

Davis sums it up: "I'm comfortable collecting the money and taking care of the accommodations and the transportation. If something goes wrong, I can only blame myself. Driving ourselves keep our heads on straight. The guys won't go out drinking and dancing if they know we have to leave after the gig. It gets us to the next place on time. The only aspect I have no control over is record distribution; that's the company's job, and they're not doing it."

A few days after I spoke to Davis, Columbia Records decided not to pick up the option on the Dirty Dozen Brass Band contract.

PEOPLE

Heidi Toffler Wants Her Share of Future

Mrs. Future Shock: Heidi Toffler, 63, says she never wanted credit on the cover of her husband Avia's future-predicting books, even though she had done half of the work. But pressure from feminists and misunderstanding from men who implied "I wasn't doing any work" finally pushed her "over the edge." The next Toffler effort — "War and Anti-war," due out in October — will have her name out there, too.

Joel Evans seems to have a knack for landing on his feet. Five months after her most recent job, as publisher of Turtle Bay Books, was terminated, he was the manager of the William Morris Agency as a literary agent.

Michael Jackson's Hong Kong fans may be justifiably uneasy these days. Ticket sales to his planned concerts there have been suspended amid fears that the pop singer may delay the start of his "Dangerous" world tour. The tour was to have begun in Hong Kong on Aug. 15 and 16.

Joan Collins recently turned 60, but the former "Dynasty" schemer isn't worried. She told New Choices magazine her goal is to be living proof that women can be sexy and desirable as they get older. "The magazine quotes Catherine Deneuve, as saying: 'When I turned 30, people predicted my career is over. At 40, the same prediction was made. Now in my 50th year, I have mixed feelings. . . . But luckily, European women are valued more than American women are their get older.'

Monty Norman, who wrote the theme tune for the James Bond films, won an apology and damages in a London court from the British music magazine VOX, which carried a reader's letter saying it was someone else's work. Norman's lawyers said the claim had distressed and embarrassed him. Libel damages were not disclosed.

INTERNATIONAL CLASSIFIED Appears on Pages 7 & 19

WEATHER

Forecast for Friday through Sunday, as provided by Accu-Weather. Includes maps and tables for Europe, Asia, North America, Europe, Asia, Middle East, and Latin America.

CROSSWORD

Crossword puzzle grid with clues for Across and Down. Includes a solution to the puzzle of July 14.

If you're going to travel all over the map, here's how to call from almost any point on it.

AT&T Access Numbers table listing international phone numbers for various countries and regions. Includes a large background image of a globe.